



MANAGEMENT REPORT & ACCOUNTS

First Half 2009

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Notes:

(i) The Consolidated Financial Information contained in this report as of 30 June 2009 is subject to limited review procedures and has been prepared in accordance with International Financial Reporting Standards ("IAS/IFRS") issued by the International Accounting Standards Board ("IASB"), as adopted by the European Union.

1. Message from Ângelo Paupério, CEO of Sonaecom

I am pleased to report that in 1H09 we have again delivered a strong set of operating and financial results. They are broadly in line with our expectations despite the difficult economic and competitive climate. We have seen sustained growth in mobile customers and mobile customer revenues. The international footprint of our SSI division has grown. Our consolidated top line has increased and our EBITDA performance has improved significantly, mainly as a result of the efficiency and cost control initiatives we launched during the second half of 2008.

Due to the current macroeconomic conditions, consumers are taking greater care and showing greater concern over researching offers throughout the market. We believe this trend actually favours Sonaecom, as consumers naturally associate our products and our brands with additional value for money.

Our **mobile business** continues to deliver strong growth in its subscriber base, which has expanded year-on-year by about 10% to reach almost 3.3 million subscribers by the end of 1H09. This increase is the result of the strong commercial initiatives and investments we made during 2008. Our mobile customer revenues also continued to grow. We have achieved savings in direct servicing costs, marketing and sales costs, and general and administrative expenses. These savings have generated a substantial year-on-year increase (+43%) in the EBITDA performance of our mobile business.

Our **wireline residential ULL business** continued to experience strong competitive pressures. Aggressive promotions of bundled offers and pay-TV services dominated the market throughout 1H09. In this environment, we are focusing on protecting the value of our customer base. One of the key factors in our value proposition will be to deliver greater value and service quality to existing customers. Our wireline business generated an EBITDA of 1.7 million euros and a margin of 1.3%. The reduction against 1H08 was driven by a lower residential customer base and the losses of indirect customers, in line with our expectations.

Our corporate and SME business, which now delivers, under the Optimus brand, a fully convergent fixed and mobile business services offer, has continued to register growth in both fixed and mobile. This constitutes clear evidence that the positioning we have adopted was well received by the target customers and that convergence is already today a reality in this segment.

We continued to deploy our **FTTH network** throughout the first half of 2009 and we have now passed more than 150 thousand homes. The costs of the deployment and the level of penetration achieved are in line with our initial expectations for this stage of the project. This investment has strengthened our experience in home-networking. We have acquired new customers and upgraded current ULL customers. We have also developed our TV capabilities further and increased transmission capacity to our mobile network. In parallel, we have been analysing partnerships with other operators, local entities, municipalities and other interested parties as an alternative way of further expanding our fibre network.

SSI continued to deliver positive growth and higher profits. In 1H09, its turnover grew by more than 50% against last year. This rise was driven by higher service revenues and equipment sales. SSI subsidiaries have been expanding in their respective markets while increasing their international footprint. Higher contributions — particularly from WeDo and Bizdirect — led to a much improved EBITDA result, which rose 74% against last year on a like-for-like basis.

Our **online and media business** experienced another challenging period. General advertising market conditions have deteriorated further, a visible trend across the media sector and which resulted in an 11.9% drop in turnover. On a positive note, the most recent audience metrics reveal that Público has successfully sustained its total readership. The online and media business has also implemented additional measures aimed at optimizing its cost structure. This is reflected in a 10.8% reduction in its total operating expenditure. Importantly, as part of the on-going restructuring process and as a positive sign of the joint efforts to improve its competitive position, Público very recently reached an agreement with its employees which will enable the business to be more efficient. Against the negative background, we continue to seek opportunities to leverage Público's highly regarded brand and to explore opportunities to strengthen its online content.

Our businesses successfully delivered some notable commercial initiatives during 2Q09. I would like to highlight some of these achievements, some of which reflect further public recognition of our ability to innovate:

- At the end of the quarter, **Optimus** was the first operator in Portugal to introduce an effective commercial offer of a wireless broadband product based on HSPA+ technology;
- **Optimus Kanguru** was recognised as having the best range of computers available under the e-schools programme. This emerged from a new survey carried by a national specialised magazine;
- **Optimus** received the Messaging Services Innovation Award in a contest promoted by the leading sector publication, Global Telecoms Business. The award recognised the brand's innovative webphone and mobile instant messaging service, which we launched when introducing Optimus "Tag" in the market;
- The development for Modelo Continente, Portugal's leading retailer, of "Continente mobile" an attractive offer supported by Sonaecom's network and aimed at the retailer's large loyalty card customer base;
- For the first time in Portugal, **Clix** offered its TV customers unrestricted access to rent film packages for a single monthly subscription fee;
- **Público** received an important international award from the Design and Art Direction organization for its world-class design. This was the first time a Portuguese newspaper has been awarded such a prize;
- At SSI, **Mainroad**, a leading provider of business continuity services, was ranked second in the Best Risk Mitigation Provider category at the Data Centres Europe Awards 2009;
- The National Agency for Public Procurement selected **Saphety** as one of four service providers of electronic platforms for public procurement.

These successes are a clear demonstration that Sonaecom continues to operate at the forefront of product and service innovation. We remain a major force behind market developments, constantly seeking alternative and innovative ways to compete in our markets.

In relation to **regulatory matters**, it is worth highlighting the competitive benefits in the mobile market arising from the introduction of asymmetric rates in 2008. The launch of innovative products and services — including various offers aimed at attacking the "network effect" — has given consumers greater choice and increased value. The economic rationale which underpinned the introduction of asymmetric rates last year was very clear and continues to be equally valid today. We hope that Anacom considers these recent market dynamics when re-analysing mobile termination rates. A potential return to symmetric rates would require tariff levels well below the EU recommendations, in order to correct the specific imperfections of the Portuguese market, and, even such scenario, would not be as effective in protecting consumer interests.

We recognize the importance of telecommunications during a virus pandemic scenario. Sonaecom has set up a dedicated team to track flu developments, providing extensive information to staff and external partners. We have also invested in a stronger and more resilient network, internal processes and customer service to ensure that our key services are available even in cases where people interaction is constrained.

In conclusion, we announced our expectations for 2009 at the start of the year amid a high level of uncertainty. This was shared among most companies operating in the prevailing volatile macroeconomic and financial conditions. We do not anticipate that the economic climate will improve during the latter part of 2009. Nor do we estimate that the competitive nature of our markets will ease. But we currently believe that we should be able to achieve our FY09 targets, although, in relation to FCF, the amounts to be received from the fund created for the promotion of the information society in Portugal, in relation to our participation in the "e-Initiatives" programme, may continue to negatively affect our cash flow performance. Given the context, I am pleased with our collective achievements during the first six months of the year, both operationally and financially and believe that, with these results, we can look forward with confidence to the rest of the year.

2. First Half Highlights

Operational Highlights

OPERATING KPI's	1H08	1H09	Δ 09/08
Mobile Business			
Customers (EOP) ('000)	2.982,1	3.268,7	9,6%
Data as % Service Revenues	20,9%	27,6%	6,7pp
ARPU ⁽¹⁾ (euros)	16,9	14,9	-11,7%
MOU ⁽²⁾ (min.)	123,5	129,5	4,8%
Wireline Business			
Total Accesses (EOP)	701.098	528.467	-24,6%
Direct ⁽³⁾	482.540	432.886	-10,3%
Indirect	218.558	95.581	-56,3%
Average Revenue per Access - Retail ⁽⁴⁾	21,5	22,6	5,3%
Sonaecom			
Total Employees	1.921	2.002	4,2%
Telecommunications	419	436	4,1%
SSI	453	507	11,9%
Media	270	259	-4,1%
Shared Services ⁽⁵⁾ and Corporate Centre	779	800	2,7%

(1) Average Monthly Revenue per User; (2) Minutes of Use per Customer per month; (3) Number of Direct Accesses for periods from 3Q07 until 3Q08 were restated in 3Q08; (4) Excluding Mass Calling services' revenues; (5) Shared Services includes, among other functions, Customer Service, Technical, IT/IS, Accounting, Legal and Regulation. Corporate Centre staff has been reduced in relation to 1H08.

Consolidated Financial Highlights

Million euros			
CONSOLIDATED FINANCIAL KPI's	1H08	1H09	Δ 09/08
Turnover	976.2	481.6	-50.7%
Service Revenues	869.7	401.8	-53.8%
Customer Revenues	674.2	323.4	-52.0%
Operator Revenues	195.5	78.4	-59.9%
EBITDA	160.4	91.5	-43.0%
EBITDA Margin (%)	16.4%	19.0%	2,6pp
Net Results - Group Share ⁽¹⁾	-12.2	1.4	-
Operating CAPEX ⁽²⁾	192.1	52.3	-72.8%
Operating CAPEX as % of Turnover	19.7%	10.9%	-8,8pp
EBITDA - Operating CAPEX	-31.7	39.2	-
FCF ⁽³⁾	14.1	-17.6	-
Net Debt	367.4	321.3	-12.5%
Net Debt/ EBITDA (last 12 months)	2.3 x	1.8 x	-0,6x

(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 9.6% to 3.269 million at the end of 1H09, with net additions in the period reaching 77.1 thousand. Data revenues represented 27.6% of service revenues in the semester, up 6.7pp against 1H08; (ii) Total wireline direct accesses reached 433 thousand, 9 thousand less than at the end of 1Q09, as a result of the continuing competitive pressures, that have led us to focus less on ULL customer acquisition in the last 3 quarters, and the growing use of mobile broadband.
- **Personnel:** total headcount has increased by 4.2% when compared to the previous year, reaching a total of more than 2 thousand employees at the end of 1H09, 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 telecommunications and 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 1H08 and represented less than 1.3% of total headcount at the end of 1H09.
- **Consolidated Service Revenues** decreased by 7.0% against 1H08, as a result of both a 5.1% decrease in customer revenues, fully driven by the negative evolution at the wireline residential business, and a 14.1% reduction in operator revenues, resulting from the negative impacts of reductions in regulated tariffs (roaming revenues and, mainly, the introduction of the new mobile termination rates).
- **Consolidated EBITDA** was 91.5 million euros, 33.2% higher than in 1H08, as a result of the improved contributions from the Mobile and SSI Businesses. EBITDA margin has improved by 4.6pp, from 14.4% in 1H08 to 19.0% in 1H09, mainly due to: (i) lower commercial costs, mainly marketing and sales, at our Telco businesses; (ii) the benefits of the MTR programme, introduced in August 2008 and; (iii) a 6.9% reduction in other operating costs, as a result of the cost saving initiatives launched in 2H08.

3. Consolidated Results

3.1. Consolidated Income Statement

Million euros			
CONSOLIDATED INCOME STATEMENT	1H08	1H09	Δ 09/08
Turnover	475.6	481.6	1.3%
Mobile	303.1	298.8	-1.4%
Wireline	147.6	124.3	-15.8%
Online & Media	17.2	15.2	-11.9%
SSI	54.5	82.1	50.8%
Other & Eliminations	-46.8	-38.8	17.0%
Other Revenues	4.3	2.3	-46.4%
Operating Costs	403.4	378.9	-6.1%
Personnel Costs	48.8	49.2	0.8%
Direct Servicing Costs ⁽¹⁾	168.1	133.5	-20.6%
Commercial Costs ⁽²⁾	108.4	123.5	14.0%
Other Operating Costs ⁽³⁾	78.1	72.7	-6.9%
EBITDAP	76.6	105.0	37.2%
Provisions and Impairment Losses	7.9	13.5	72.2%
EBITDA	68.7	91.5	33.2%
EBITDA Margin (%)	14.4%	19.0%	4,6pp
Mobile	62.1	88.9	43.1%
Wireline	4.0	1.7	-58.3%
Online & Media	-1.5	-1.7	-9.5%
SSI	3.6	3.9	6.3%
Other & Eliminations	0.4	-1.3	-
Depreciation & Amortization	77.8	79.1	1.6%
EBIT	-9.1	12.4	-
Net Financial Results	-7.9	-7.3	7.2%
Financial Income	1.6	3.1	92.5%
Financial Expenses	9.5	10.4	9.7%
EBT	-17.0	5.1	-
Tax results	5.0	-3.5	-
Net Results	-12.1	1.6	-
Group Share	-12.2	1.4	-
Attributable to Minority Interests	0.2	0.2	5.8%

(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 481.6 million euros in 1H09, 1.3% above 1H08, as a result of the combination of lower service revenues (-7.0%), driven mainly by the 14.1% reduction in operator revenues and by lower wireline customer revenues, which were completely off-set by significantly higher product and equipment sales (+83.7% y.o.y).

Consolidated service revenues decreased by 7.0% to 401.8 million euros, mainly as a result of lower contributions from our Telco business. The breakdown of this consolidated performance was as follows:

- 16.4% 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;
- 3.0% decrease in service revenues at our Mobile Business, fully driven by the impact, in operator revenues, of lower roaming revenues and of the new MTR programme. Mobile customer revenues actually increased 1.8% y.o.y, in 1H09, despite the increased competitiveness in certain segments of the market, that led to a decrease in the average revenue per minute, and the effects of the economic recession;
- 7.3% higher service revenues at SSI, driven by the positive performance of WeDo, that registered a 5.6% y.o.y top line growth, and Bizdirect;
- 6.5% reduction in service revenues at the Online & Media division, as a result of lower advertising revenues at Público, determined by the prevailing negative conditions in the general advertising market.

Consolidated customer revenues fell 5.1% when compared to 1H08, driven mainly by 23.2% lower customer revenues at our Wireline business, not fully compensated by the positive performance of Mobile customer revenues (+1.8% y.o.y) and the 7.3% higher service 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 2Q09, y.o.y by 2.8% and by 2.1% against the 1Q09.

Operating costs

Total operating costs reached 378.9 million, 6.1% below the comparable period in 2008, representing 78.7% of 1H09 turnover. In 2Q09, total operating costs were 0.5% lower than in 1Q09, which, in turn, were also 6.6% lower than in the last quarter of 2008. 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 1H09 were the following:

- a) **personnel costs** remained approximately stable against 1H08 (+0.8%), reaching 49.2 million euros in 1H09, despite the 4.2% increase in total headcount;
- b) **direct servicing costs** decreased by 20.6%, when compared to 1H08, driven mainly by a 24.1% 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 14.0%, to 123.5 million euros in 1H09, 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. The substantial one-off investments made during the 1H08 in the Optimus rebranding and related advertising campaigns were one of the factors behind the 24.3% y.o.y lower commercial costs at our Mobile business;
- d) **other operating costs** decreased 6.9% against 1H08, mainly as a consequence of reductions in both general & administrative costs (down 5.4% y.o.y) and in outsourcing costs (5.1% lower than in 1H08).

Cost reductions are also visible in terms of quarterly evolution, namely at the level of personnel costs (down by 1.3% against 1Q09) and direct servicing costs (-8.8%).

Provisions and impairment losses increased y.o.y. in 1H09 by approximately 5.6 million euros as a result of higher provisions for bad debt (driven 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 Wireline 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 33.2% to 91.5 million euros in 1H09 generating a margin of 19.0%, compared to a margin of 14.4% in 1H08. The breakdown of EBITDA performance by business was as follows:

- a) EBITDA at our Mobile Business was of 88.9 million euros, up by 43.1% when compared to 1H08, mainly explained by lower commercial and interconnection costs, which were partly offset by lower roaming revenues. The Mobile Business achieved an EBITDA margin of 29.7%, significantly above 1H08. It should also be noted that EBITDA margin remained approximately stable between the first and the second quarter of 2009;
- b) The Wireline Business generated an EBITDA of 1.7 million euros (2.3 million euros below 1H08), 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, EBITDA performance at both the Wholesale and at the Corporate & SME segments continues to evolve positively;
- c) EBITDA at SSI increased by 6.3% when compared to 1H08, to 3.9 million euros in 1H09, mainly as a result of a substantially improved EBITDA performance at Bizdirect, which has increased its EBITDA by 0.6 million euros y.o.y, and at Saphety. On a comparable basis, i.e. excluding the 1.4 million euros one-off gain registered in 1H08 related to the acquisition of Tecnológica, EBITDA would have grown by 74% y.o.y., mainly driven by WeDo;
- d) Online & Media's EBITDA in 1H09 was negative 1.7 million euros, down by 9.5% against 1H08 but registering a 14.9% improvement between the first and the second quarter of 2009, with the 0.6 million euros increase in advertising revenues more than off-setting the negative performance in newspaper sales and the slight increase in total operating costs.

Net Profit

Net results group share were positive by 1.4 million euros in 1H09, compared to the negative 12.2 million euros result in 1H08, mainly due to the much improved EBITDA performance and to the 7.2% reduction in net financial results.

Depreciation and amortization charges increased by 1.6%, to 79.1 million euros in 1H09, driven by the increased asset base resulting from investments made during 2008 in expanding our mobile and fibre access networks. It should be noted that, during 3Q08 we began to amortise the 91.3 million euros intangible asset, recognised as CAPEX in 2008, in relation to the obligations assumed under the “e-Initiatives” programme. In terms of quarterly evolution, depreciation and amortization charges remained stable between the first and the second quarter of 2009.

When compared to 1H08, net financial charges decreased by 7.2%, to 7.3 million euros in 1H09, reflecting:

- a) higher financial expenses, up by 0.9 million euros, due to the financial costs related to the receivables securitisation and the higher average gross debt in 1H09 which have more than offset the decrease in the average cost of debt (from 5.1% in 1H08 to 3.1% in 1H09), as a reflection of movements in market rates. Nevertheless, excluding the impacts of the securitisation, the lower average cost of debt more than compensated the effect of higher average gross debt in the period; and
- b) a 1.5 million increase in financial income, driven by the higher level of average liquidity in 1H09 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 1H09 showed a cost of 3.5 million euros, compared to a benefit of 5.0 million euros in 1H08, driven by the much improved EBT performance (from a negative 17.0 million to a positive 5.1 million euros).

3.2. Consolidated Balance Sheet

Million euros	1H08	1H09	Δ 09/08	FY08	var.
CONSOLIDATED BALANCE SHEET					
Total Net Assets	1,795.5	1,957.2	9.0%	1,973.4	-0.8%
Non Current Assets	1,443.4	1,481.6	2.6%	1,510.7	-1.9%
Tangible and Intangible Assets	808.6	832.0	2.9%	858.6	-3.1%
Goodwill	525.8	525.9	0.0%	526.0	0.0%
Investments	2.0	1.2	-38.5%	1.2	0.0%
Deferred Tax Assets	107.0	122.5	14.5%	124.9	-1.9%
Current Assets	352.1	475.6	35.1%	462.8	2.8%
Trade Debtors	185.7	162.2	-12.7%	173.7	-6.6%
Liquidity	6.9	121.4	-	105.7	14.8%
Others	159.5	192.1	20.5%	183.4	4.8%
Shareholders' Funds	921.6	930.8	1.0%	929.0	0.2%
Group Share	920.6	930.5	1.1%	928.5	0.2%
Minority Interests	1.0	0.3	-65.9%	0.5	-23.0%
Total Liabilities	873.9	1,026.4	17.5%	1,044.5	-1.7%
Non Current Liabilities	478.7	583.1	21.8%	572.4	1.9%
Bank Loans	355.1	411.6	15.9%	381.7	7.8%
Provisions for Other Liabilities and Charges	32.5	32.3	-0.7%	32.2	0.2%
Others	91.1	139.3	52.9%	158.5	-12.1%
Current Liabilities	395.2	443.4	12.2%	472.1	-6.1%
Bank Loans	0.7	8.4	-	5.0	68.2%
Trade Creditors	174.8	190.4	9.0%	179.1	6.3%
Others	219.7	244.5	11.3%	288.0	-15.1%
Operating CAPEX ⁽¹⁾	67.7	52.3	-22.8%	192.1	-72.8%
Operating CAPEX as % of Turnover	14.2%	10.9%	-3.4pp	79.8%	-68.9pp
Total CAPEX	161.6	53.2	-67.1%	289.7	-81.6%
EBITDA - Operating CAPEX	1.0	39.2	-	-31.7	-
Operating Cash Flow ⁽²⁾	-49.2	3.6	-	-59.5	-
FCF ⁽³⁾	-57.8	-17.6	69.5%	14.1	-
Gross Debt	374.3	442.7	18.3%	405.5	9.2%
Net Debt	367.4	321.3	-12.5%	299.7	7.2%
Net Debt/ EBITDA last 12 months	2.3 x	1.8 x	-0.6x	1.9 x	-0.1x
EBITDA/Interest Expenses ⁽⁴⁾ (last 12 months)	8.0 x	8.8 x	0.8x	8.1 x	0.7x
Debt/Total Funds (Debt + Shareholders' Funds)	28.9%	32.2%	3.3pp	30.4%	1.8pp
Excluding the Securitisation Transaction:					
Net Debt	367.4	409.9	11.6%	399.0	2.7%
Net Debt/ EBITDA last 12 months	2.3 x	2.2 x	-0.1x	2.5 x	-0.3x
EBITDA/Interest Expenses ⁽⁴⁾ (last 12 months)	8.0 x	8.8 x	0.8x	8.1 x	0.7x

(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.

Capital structure

Consolidated gross debt totalled 442.7 million euros, 68.4 million euros above the level registered at the end of 1H08 and mainly comprised:

- 150 million euros long-term privately placed Bonds, due in June 2013;
- 230 million euros used under the underwritten committed Commercial Paper Programme contracted in 2007 and with final maturity in July 2012;
- 33 million euros used under the 70 million euros underwritten committed Commercial Paper Programme contracted in 2005 and committed for a rolling period of 364 days;
- 9.2 million euros of short term debt, out of a total of approximately 20 million of short term credit facilities; and
- 21.3 million euros of long term financial leases.

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 in the coming quarters of the full benefits of the lower rates prevailing in the market.

Consolidated net debt at the end of 1H09 stood at 321.3 million euros, a 12.5% reduction when compared to 1H08, 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 1.8x in 1H09, 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 8.0x in 1H08 to 8.8x at the end of 1H09, as a consequence of the improved EBITDA performance and notwithstanding higher financial expenses (+0.9 million euros y.o.y). The ratio of Consolidated Debt to Total Funds deteriorated slightly, having reached 32.2% in 1H09 (against 28.9% in 1H08), reflecting the above mentioned movements in gross debt and the 1.0% increase in Shareholder's Funds. The latter resulted mainly from the positive net income generated in the period, which has more than compensated the effect of the acquisition of own shares, which amounted to 9.5 million euros between the end of June 2008 and June 2009, 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 1H09 stood at 409.9 million euros, 11.6% (or 42.5 million euros) above the level registered at the end of 1H08, reflecting primarily the underlying negative FCF generated between the two dates. Additionally, in relation to the securitisation transaction, it should be noted that during 1H09, a principal amount of 10 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 1H09, the sum of cash and non-utilized committed credit lines at the Sonaecom Group stood at approximately 189 million euros and the weighted average maturity of our credit lines was of approximately 2.5 years. As indicated above no amortizations of bank loans are scheduled until 2010.

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 1H09 was 53.2 million euros while Operating CAPEX reached 52.3 million euros, 22.8% below 1H08, and representing 10.9% of turnover. The y.o.y. reduction in Operating CAPEX registered in 1H09 is mainly the reflection of the completion of the ambitious 2008 investment plan.

Shareholders' Funds

At the end of 1H09, shareholders' funds totalled 930.8 million euros, compared to 921.6 million euros at the end of 1H08, reflecting mainly the net profits generated in the period, which has more than off-set the impact of the acquisition of own shares between the two dates, associated with our employee MTIP obligations.

FCF

Million euros			
LEVERED FREE CASH FLOW	1H08	1H09	Δ 09/08
EBITDA-Operating CAPEX	1.0	39.2	-
Change in WC	-52.8	-42.2	20.1%
Non Cash Items & Other	2.7	6.5	145.3%
Operating Cash Flow	-49.2	3.6	-
Financial Investments	-0.2	0.0	100.0%
Securitisation Transaction	0.0	-10.0	-
Own shares	-1.4	-2.0	-44.7%
Public Tender Offer	-0.1	0.0	100.0%
Financial results	-7.0	-9.2	-32.1%
Income taxes	0.0	0.0	-
FCF	-57.8	-17.6	69.5%

Consolidated FCF in 1H09 was negative 17.6 million euros, compared to a negative 57.8 million euros in 1H08 and comprised the following main elements:

- A positive EBITDA minus Operating Capex of 39.2 million euros, well above the level registered in 1H08;
- A Working Capital deterioration of 42.2 million euros, reflecting mainly lower credit from fixed asset suppliers, a normal evolution during the first half of the year as a result of the payments due in respect of to the higher Capex level registered in the last quarter of the previous year;
- Working capital in 1H09 also included an extraordinary amount, of approximately 23 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. In accordance with the agreement in place with that entity, we expect the outstanding amounts to be paid shortly;
- Outflows in the amount of 10.0 million euros related to receivables allocated to the securitisation transaction;
- Payments related to the acquisition of own shares during 1H09, in the amount of 2.0 million euros; and
- Financial outflows of 9.2 million euros, approximately 2.2 million euros above the level registered in 1H08, mainly driven by net financial expenses associated with the securitisation transaction.

It is worth noting that consolidated FCF was positive 28.2 million euros in the 2Q09, compared to a negative 25.1 million euros in 2Q08 and a negative 45.9 million euros in 1Q09, an evidence of the results of increased focus we are placing, during 2009, on cash generation. It should nevertheless be noted that the quarterly performance in terms of working capital was influenced by an extraordinary VAT payment of approximately 25 million euros, related to an internal transaction, made in 1Q09 and subsequently recovered in the 2Q09.

4. Telecommunications

4.1 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 the investments made in supporting the brand and in improving our distribution capacity and customer service are delivering good results, namely in terms of growth across all mobile segments.

4.1.1. Operational Data

MOBILE OPERATIONAL KPI's	1H08	1H09	Δ 09/08
Customers (EOP) ('000)	2,982.1	3,268.7	9.6%
Net Additions ('000)	88.6	77.1	-12.9%
Data as % Service Revenues	20.9%	27.6%	6,7pp
Total #SMS/month/user	49.9	47.5	-4.8%
MOU ⁽¹⁾ (min.)	123.5	129.5	4.8%
ARPU ⁽²⁾ (euros)	16.9	14.9	-11.7%
Customer Monthly Bill	13.1	12.1	-7.5%
Interconnection	3.8	2.8	-26.1%
ARPM ⁽³⁾ (euros)	0.14	0.12	-15.7%

(1) Minutes of Use per Customer per month; (2) Average Monthly Revenue per User; (3) Average Revenue per Minute.

Customer base

Mobile customer base increased by 9.6% to 3.27 million customers at the end of 1H09, compared to 2.98 million at the end of 1H08 and 3.22 million at the end of 1Q09, with net additions reaching circa 49 thousand in the 2Q09, approximately 74% 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 1H09 approximately 31% of the total mobile base, an increase of 1.9pp against the end of 1H08.

During 1H09, Mobile customer's ARPU was 14.9 euros, down by approximately 2 euros against the comparable period on 2008, through a combination between lower interconnection revenues and the lower ARPM. ARPU remained approximately stable between the first and the second quarter of 2009.

Of the 1H09 ARPU, 12.1 euros were related to customer monthly bill and 2.8 euros to operator revenues, compared to 13.1 euros and 3.8 euros respectively, in 1H08. It is important to note that the 15.7% decrease in ARPM was partially compensated by a 4.8% increase in MOU, leading to a 7.5% decrease in the Monthly Bill.

Data usage

We were again able to maintain our leading position in retail sales of wireless broadband and achieved a material growth of data usage, namely through the promotion of our mobile broadband product "Kanguru", based on HSPA technologies. After completing, in 1Q09, the successful testing of this new technology, 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 of 5.7 Mbps, the new Kanguru Xpress offer and the new Optimus Kanguru Pen were made available at the end of 1H09.

The governmental programme ("e-Initiatives") aimed at the development of the 'Information Society' in Portugal, as part of the agreements reached with the Government to fulfil the obligations under the UMTS licenses, continued to contribute to maintaining mobile broadband market growth at a high pace.

During 1H09, Optimus was recognized, in a new survey carried out by the "Exame Informática" magazine, as having the best range of laptops available under the e-schools programme. Optimus Kanguru e-schools offer was thus confirmed as the best option in the programme, including the best laptops, the best wireless internet access and with the exclusive advantage of immediate delivery in over 30 stores across the country.

Data revenues represented 27.6% of service revenues in 1H09, an improvement of 6.7pp vs. 1H08, 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 1H09, compared to only 62% in 1H08. Importantly, the revenues from non-SMS data services continue to post significant increases, having grown y.o.y. in 1H09 by more than 50%.

Mobile access network

During 1H09, although at a slower pace when compared to 2008, we continued to invest 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 investment made in the network during last year is expected to allow Sonaecom to continue to lead in mobile broadband and push for additional growth.

Driven by this constant search for optimisation of our network, Sonaecom has been several times recognised by independent entities as holding the best network in Portugal. Examples of this are the results of the studies published by Anacom during 1H09, aimed at assessing the quality of service of the Portuguese mobile operators, namely in the Lisbon and Porto areas, main cities, main roads and rail tracks. The results show the excellence of the performance of Sonaecom's mobile network, both in 2G and 3G.

4.1.2. Financial Data

Million euros	1H08	1H09	Δ 09/08
MOBILE INCOME STATEMENT			
Turnover	303.1	298.8	-1.4%
Service Revenues	288.2	279.7	-3.0%
Customer Revenues	223.8	227.9	1.8%
Operator Revenues	64.5	51.8	-19.6%
Equipment Sales	14.8	19.1	28.7%
Other Revenues	22.7	17.4	-23.0%
Operating Costs	258.5	219.0	-15.3%
Personnel Costs	26.0	26.7	2.5%
Direct Servicing Costs ⁽¹⁾	101.2	83.0	-18.0%
Commercial Costs ⁽²⁾	73.7	55.8	-24.3%
Other Operating Costs ⁽³⁾	57.6	53.5	-7.2%
EBITDAP	67.2	97.3	44.7%
Provisions and Impairment Losses	5.1	8.4	65.0%
EBITDA	62.1	88.9	43.1%
EBITDA Margin (%)	20.5%	29.7%	9.2pp
 Operating CAPEX ⁽⁴⁾	 50.9	 30.9	 -39.4%
Operating CAPEX as % of Turnover	16.8%	10.3%	-6.5pp
EBITDA - Operating CAPEX	11.2	58.0	-
Total CAPEX	146.4	31.8	-78.3%

(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.

4.2. Wireline Business

The trends already experienced in 2008 have again prevailed in 1H09, 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, is also contributing to lowering the value for the segment as a whole. In this market environment, we have focused on 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 (now with more than 1,500 titles available), while continuously working to improve customer service.

Importantly, we continue to leverage our wireline network to provide convergent services to the corporate and SME markets, a segment where our strategic positioning as an integrated, global player is particularly appealing to customers.

4.2.1. Operational Data

WIREFINE OPERATIONAL KPI's	1H08	1H09	Δ 09/08
Total Accesses	701,098	528,467	-24.6%
Direct Accesses⁽¹⁾	482,540	432,886	-10.3%
Direct Voice	261,116	232,258	-11.1%
Direct Broadband	202,228	171,256	-15.3%
Other Direct Services	19,196	29,372	53.0%
Indirect Accesses	218,558	95,581	-56.3%
Unbundled COs with transmission	174	192	10.3%
Unbundled COs with ADSL2+	166	175	5.4%
Direct access as % Cust. Revenues	68.5%	77.5%	9pp
Average Revenue per Access - Retail⁽²⁾	21.5	22.6	5.3%

(1) Number of Direct Accesses for periods from 3Q07 until 3Q08 were restated in 3Q08; (2) Excluding Mass Calling services' revenues and recalculated in 3Q08 according to the restated number of accesses; 1H08 figures were calculated based on the restated number of accesses.

Customer base

At the end of 1H09, total accesses reached 528.5 thousand, a decrease of 24.6% compared to the end of 1H08, explained by a 10.3% decrease in direct accesses and, mainly, by a 56.3% reduction in indirect accesses, as a reflection of the expected churn of indirect voice customers. The number of direct accesses represented 81.9% of the Wireline Business total accesses at the end of the semester, compared to 68.8% at the end of 1H08.

Although at a slower pace than in previous quarters, quarterly direct access net additions were again negative in 2Q09, by circa 9 thousand accesses, as a result of the market trends evidenced since the 2H08: (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 5.3% against 1H08, 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.

Services

During 1H09 we have continued to reinforce our IPTV offer by adding new contents, including several new broadcast channels, 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.

Importantly, Clix again demonstrated in 1H09 its innovative spirit and leading role in the introduction of new services and functionalities in the Portuguese TV market. After being the first operator to provide an IPTV service in Portugal, Clix SmartTV once again introduced a relevant novelty in the market by offering its customers the functionality of restarting a TV program without previously having given any instructions to record it. "Restart TV" works on any TV box and was made available for free on the main channels of our offers.

In the 2Q09, Clix introduced a new VOD offer, offering its TV customers the opportunity to get unrestricted access to certain film packages, available for a flat monthly subscription fee (a novelty in the Portuguese market).

Fibre access network

We have continued the implementation of FTTH, with which Sonaecom has, for the first time, the complete responsibility for the network used to deliver end-to-end fixed services to the residential market and is, as such, completely in control of the end-to-end quality of service provided to the customer. The feedback we are receiving from connected customers, a few thousand at the end of 1H09, is extremely positive, in terms of both their broadband and TV experience. 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.

4.2.2. Financial Data

Million euros			
WIRESLINE INCOME STATEMENT	1H08	1H09	Δ 09/08
Turnover	147.6	124.3	-15.8%
Service Revenues	147.2	123.1	-16.4%
Customer Revenues	93.4	71.7	-23.2%
Direct Access Revenues	64.0	55.6	-13.1%
Indirect Access Revenues	27.4	14.4	-47.6%
Other	2.0	1.8	-14.3%
Operator Revenues	53.8	51.4	-4.5%
Equipment Sales	0.4	1.2	-
Other Revenues	0.4	0.5	11.7%
Operating Costs	141.4	118.6	-16.1%
Personnel Costs	5.0	2.7	-46.1%
Direct Servicing Costs ⁽¹⁾	98.4	77.0	-21.7%
Commercial Costs ⁽²⁾	9.2	12.4	35.5%
Other Operating Costs ⁽³⁾	28.8	26.5	-8.0%
EBITDAP	6.6	6.1	-7.6%
Provisions and Impairment Losses	2.6	4.5	70.0%
EBITDA	4.0	1.7	-58.3%
EBITDA Margin (%)	2.7%	1.3%	-1.4pp
Operating CAPEX ⁽⁴⁾	16.3	19.7	20.8%
Operating CAPEX as % of Turnover	11.1%	15.9%	4.8pp
EBITDA - Operating CAPEX	-12.3	-18.1	-46.5%
Total CAPEX	17.2	19.7	14.6%

(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. 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).

During the 2Q09, WeDo completed the acquisition of the assets of Brainware - a Portuguese IT company focused on the financial sector – which included the transfer to WeDo of its team of consultants, products and portfolio of customers. With this transaction, WeDo aims to increase its presence in the financial sector segment.

5.1. Operational Data

SSI OPERATIONAL KPI's	1H08	1H09	Δ 09/08
IT Service Revenues/Employee ⁽¹⁾ ('000 euros)	57.9	62.7	8.3%
Equipment Sales as % Turnover	46.4%	61.9%	15,4pp
Equipment Sales/Employee ⁽²⁾ ('000 euros)	1,950.8	2,915.9	49.5%
EBITDA/Employee ('000 euros)	4.8	7.5	56.4%
Employees	453	507	11.9%

(1) Excluding employees dedicated to Equipment Sales; (2) Bizdirect; (3) 1H08 EBITDA excluding the EUR 1.4m gain registered in quarter, in relation to Tecnológica's purchase process..

IT service revenues per employee reached 62.7 thousand euros in 1H09, 8.3% above the comparable period of 2008, while equipment sales per employee have increased y.o.y by more than 49%. Both indicators clearly demonstrate the continuous efficiency gains achieved by SSI companies. Total headcount at the end of 2Q09 increased to 507, a 11.9% 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. It is worth highlighting that WeDo hosted, in May 2009, its 4th user group meeting. For two days the company presented its new business focus, based on the concept of business assurance, to over 70 specialists from all over the world. This event brought to Portugal over 30 telecommunications operators, with operators such as Vodafone, Ufone and Orascom presenting their cases on successfully implementing WeDo's solutions.

As part of the on-going process to rationalise its international office network, WeDo changed the location of its offices in Brazil, driven by the rapid growth of the team over the last year as well as to the consolidation of the activities in the local market. WeDo now has a local presence in 12 different countries. It should also be noted that during 1H09, revenues in the international markets totalled more than 56% of total revenues.

Mainroad, a leading supplier of business continuity services, was awarded the second place in the category of "Best Risk Mitigation Provider" at the Data Centres Europe Awards 2009. This distinction, obtained in a contest which included 20 large providers from all over the world, is a indication of the leading capabilities of Mainroad in terms of security and business continuity.

In June 2009, **Saphety** (via its "BizGov" platform) was selected by the National Agency for Public Procurement as one of the four companies that will provide electronic platform services for public procurement. In line with national and EU guidelines, the installation of electronic platforms at the level of public procurement are aimed at reducing bureaucracy in procurement procedures, as a way to ensure competition, transparency and improved conditions for public contracts.

5.2. Financial Data

Million euros			
SSI CONSOLIDATED INCOME STATEMENT	1H08	1H09	Δ 09/08
Turnover	54.47	82.13	50.8%
Service Revenues	29.19	31.32	7.3%
Equipment Sales	25.29	50.81	100.9%
Other Revenues	1.62	0.32	-80.3%
Operating Costs	52.37	78.54	50.0%
Personnel Costs	13.64	14.11	3.4%
Commercial Costs ⁽¹⁾	25.45	50.70	99.2%
Other Operating Costs ⁽²⁾	13.27	13.73	3.5%
EBITDAP	3.72	3.91	5.2%
Provisions and Impairment Losses	0.07	0.03	-55.4%
EBITDA	3.65	3.88	6.3%
EBITDA Margin (%)	6.7%	4.7%	-2pp
Operating CAPEX ⁽³⁾	0.41	1.44	-
Operating CAPEX as % of Turnover	0.8%	1.8%	1pp
EBITDA - Operating CAPEX	3.24	2.44	-24.7%
Total CAPEX	-2.01	1.44	-

(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.

Turnover

SSI turnover again increased significantly y.o.y and was up 50.8% in 1H09 to 82.1 million euros, as a result of both higher IT equipment sales, which have more than doubled, to 50.8 million euros, and higher service revenues, up by 7.3%, mainly driven by the 5.6% increase in service revenues at WeDo, with a particularly high growth registered in the Latin America region. This subsidiary continues to account for the majority (circa 68% in the 1H09) of SSI's service revenues.

In terms of quarterly evolution between 1Q09 and 2Q09, the growth registered both in service revenues (+2.3%) and equipment sales (+7.9%) is a positive indication of the relative resilience of SSI's business to the current economic downturn.

During 1H09, equipment sales represented 61.9% of turnover, an increase of 15.4pp over the level registered in the same period on 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.

EBITDA

SSI EBITDA was positive 3.9 million euros in 1H09, up by 6.3% against last year, with EBITDA margin decreasing by 2pp to 4.7% due to (i) the one-off impact related to the recognition of a gain of 1.4 million euros in 2Q08, 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 1H09, by 74.0% and 0.6pp, respectively.

In relation to EBITDA margin, WeDo achieved a positive 9.7% in 1H09; a significant increase from the 5.0% margin registered in 1H08, again, on a comparable basis (excluding the gain related to the final closure of Tecnológica's purchase process). This growth was driven by the improved 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.

6. Online and Media

During the first half of 2009, our Media division was reorganised in order to incorporate also our other on-line portals, including the Clix portal and Miao.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. It should also be noted that through its strategy of pioneering innovation in the digital context, Público continues to be a clear leader in the on-line access among Portuguese newspapers, an area where it is showing a positive growth.

During the 2Q09, Público received a prestigious international award (from the Design and Art Direction organization) for its leading design, the first time that a Portuguese newspaper has been awarded such prize. This prize is a recognition of the quality of the design and graphic work at Público.

Also during June 2009, 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 "In June, Público is worth more than 1€".

6.1. Operational Data

PÚBLICO OPERATIONAL KPIs	1H08	1H09	Δ 09/08
Average Paid Circulation ⁽¹⁾	42,670	39,174	-8.2%
Market Share of Advertising (%)	12.9%	11.8%	-1.2pp
Audience ⁽²⁾ (%)	4.3%	4.4%	0.1pp
Employees	261	248	-5.0%

(1) Estimated value updated in the following period; (2) As % of addressable population; Source: Bareme Imprensa.

Paid circulation figures decreased by 8.2% when compared to 1H08, with an average of 39,174 newspapers sold in 1H09. 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). Until May 2009, the latest available information, Público's average market share of paid circulation, among daily press, reached 10.9%, approximately 0.9pp below the comparable period in 2008¹.

Positively, the most recent 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 1H09 (a 0.1pp increase against 1H08). It is also worth noting that Público recovered the third position, in terms of audience, among the daily generalist press.

In relation to advertising, market dynamics deteriorated further in 1H09, with advertising revenues for the daily paid generalist press sector as a whole, YTD until May, decreasing by 14.1%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, in the same period, the free newspapers' advertising revenues are estimated to have had an even more negative performance in terms of advertising revenues (a reduction of circa 34% y.o.y).

Público's advertising market share reached 11.8% in 1H09, approximately 1.2pp below the level registered in 1H08. The deteriorating macro-economic environment is leading to further cuts in business spend during 2009, with negative impacts over advertising budgets. The advertising revenue losses registered by Público are estimated to be approximately in-line with those of its main competitors.

¹ Source: APCT

² Source: Marktest/Media Monitor

6.2. Financial Data

Million euros			
ONLINE & MEDIA CONS. INCOME STATEMENT	1H08	1H09	Δ 09/08
Turnover	17.23	15.17	-11.9%
Advertising Sales ⁽¹⁾	7.31	6.83	-6.5%
Newspaper Sales	6.09	5.95	-2.4%
Associated Product Sales	3.83	2.40	-37.5%
Other Revenues	0.10	0.10	0.7%
Operating Costs	18.78	16.75	-10.8%
Personnel Costs	5.89	6.18	5.0%
Commercial Costs ⁽²⁾	6.72	5.08	-24.3%
Other Operating Costs ⁽³⁾	6.18	5.48	-11.2%
EBITDAP	-1.45	-1.47	-1.8%
Provisions and Impairment Losses	0.08	0.20	150.9%
EBITDA	-1.53	-1.67	-9.5%
EBITDA Margin (%)	-8.9%	-11.0%	-2,2pp
Operating CAPEX ⁽⁴⁾	0.70	0.33	-52.4%
Operating CAPEX as % of Turnover	4.1%	2.2%	-1,9pp
EBITDA - Operating CAPEX	-2.23	-2.01	9.9%
Total CAPEX	0.70	0.33	-52.4%

(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 1H09, the Online and Media turnover decreased by 11.9% to 15.2 million euros, as a reflection of following trends in its revenue lines: (i) a 2.4% reduction in newspaper sales at Público, despite the cover price increase in 4Q08; (ii) a negative evolution in advertising sales (-6.5%), driven by the negative market trends; and (iii) a 37.5% reduction in associated product sales, partly driven by the different mix of associated products offered in the period. In terms of recent quarterly evolution, a positive improvement was achieved in 2Q09, when compared to the previous quarter, at the level of advertising revenues, which have grown by more than 17% against 1Q09.

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 1H09, our Online and Media business generated a negative EBITDA of 1.7 million euros, which represents a 9.5% reduction over 1H08 as the negative trend at the top line level was not compensated by savings achieved in most of its cost lines, including a 24.3% reduction in commercial costs and a 11.2% reduction in other operating costs. This performance in terms of costs was achieved notwithstanding the 5.0% increase in personnel costs, driven by the on-going restructuring process.

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.

6. Sonaecom SGPS individual results

7.1. Operational data

Sonaecom SGPS individual results for the semesters ended 30 June 2009 and 2008 can be summarised as follows.

Million euros

Sonaecom SGPS Results overview (million euros)	1H08	1H09	Δ 09/08	%
Service Revenues	3.6	3.6	0.0	0%
Other Operating Revenues	0.0	0.0	0.0	0%
Operating Costs ⁽¹⁾	-4.0	-4.0	0.0	0%
EBITDA	-0.4	-0.8	-0.5	124%
EBIT	-0.4	-0.9	-0.5	115%
Dividend Received	21.4	3.5	-17.9	-84%
Net Financial Activity	5.0	-1.7	-6.7	-134%
Other Financial Results	-4.6	-7.5	-3.0	65%
EBT	21.4	-6.7	-28.0	-131%
Net Income	21.4	-6.0	-27.4	-128%

(1) Excludes Amortization, Depreciation and Provisions

In the first six months of 2009, Sonaecom SGPS generated service revenues of 3.6 million euros, essentially comprising services provided to its subsidiaries in relation to:

- Managing the regulatory environment;
- Support in seeking new financing;
- Group internal audit and risk management;
- Fiscal and legal support;
- Temporary assignment of employees to subsidiaries.

Sonaecom's corporate centre employed 40 people, of which, 17 were assigned to the Shared Services Division. In 1H09 total staff costs amounted to 2.3 million euros compared to the 2.4 million euros registered in 1H08. Total corporate centre costs represented approximately 0.6% of Group consolidated turnover as at 30 June 2009. Total operating expenses (excluding depreciation and amortization charges and provisions) amounted to 4.0 million euros, which compares with 4.0 million euros for the same period of 2008.

EBITDA was a negative 0.8 million euros compared to a negative 0.4 million Euros registered in 1H08 mainly due to the increase in Provisions driven by a provision for tax contingencies of 0.5m in relation to the liquidation of the subsidiary "Sonae Matrix".

Sonaecom's SGPS main source of financial income was the 3.5 million euros dividends received, including 3.1 million euros received from Sonaecom Sistemas de Informação, SGPS, S.A. and 0.4 million euros received from Sonaetelecom SGPS, SA. In the same period of 2008, Sonaecom received 21.4 million euros of dividends from Sonaecom Serviços de Comunicação, S.A.

Net financial activity (interest income less interest expenses) was a negative 1.7 million euros, 6.7 million euros below 1H08, which was driven by lower level of treasury applications and loans in subsidiaries.

Other Financial Results were negative 7.5 million euro fully driven by impairment recognitions on Sonaetelecom BV and Miauger. Last year an impairment loss of 4.6m was also recognised on Sonaetelecom BV, which fully explains the negative performance in 1H08.

Net Results for the year were negative 6.0 million euros, 27.4 million euros below 1H08 mainly due to the performance of Financial Results. Dividends, net financial activity and other financial results all registered values below 1H08.

7.2. Financial data

The following table summarises the major cash movements that occurred during the semester:

Changes in Sonaecom SGPS Liquidity	million euros
Sonaecom SGPS stand-alone liquidity as at 31 December 2008	50.1
Commercial Paper Programme (CPP)	32.0
Other External Debt	3.6
Treasury applications from subsidiaries received(repaid)	52.1
Net Acquisitions and Supplementary Capital	(1.3)
Acquisition of Own Shares	(2.0)
Supplementary Capital on Sonaecom Sistemas de Informação	0.7
Net Shareholder Loans repaid (grant)	(126.2)
Be Artis	(134.4)
Sonae Telecom BV	(0.8)
Sonaecom BV	8.7
Sonaecom Sistemas de Informação	0.3
Sonaecom Financial Movements	2.6
Interest paid	(11.0)
Interest received	7.9
Dividend received	3.5
Operational Free Cash Flow and Others	2.2
Total movement in the period	(37.3)
Sonaecom SGPS stand-alone liquidity as at 30 June 2009	12.8

During the semester, Sonaecom's stand-alone liquidity decreased 37.3 million euros from 50.1 to 12.8 million euros due to the following movements:

A. Gross Nominal External Debt – 35.6m increase

During the semester, Gross Nominal External Debt increased by 35.6 million euros, 32 million euros via increases in the amounts used under the commercial paper programme ("CPP") and 3.6 million of bank overdrafts. Since 2007, when Sonaecom completed the negotiation of a 250 million euros committed underwritten commercial paper programme, Sonaecom's gross debt is fully contracted by Sonaecom SGPS and internal funding movements are used to allocate cash between our subsidiaries. As part of this new internal funding process, Sonaecom SGPS is using shareholder loans and/or treasury applications, depending on the expected maturity of amounts lent to subsidiaries.

At the end of the period, Sonaecom SGPS' gross debt comprised two long term facilities: (1) a 150 million euros Bond issue; and (2) the 250 million euros committed underwritten CPP.

B. Treasury applications from subsidiaries – 52.1m increase

During 1H09, Sonaecom Serviços de Comunicações placed an additional 71.3 million euros at Sonaecom SGPS, SA. and Be Towering reduce its application by 13.3m. Also with significant movements, Sonaecom Sistemas de Informação, Mainroad and Público decreased their applications by 2.5, 2.0 and 0.9 million euros, respectively.

C. Net Acquisitions and Supplementary Capital – Net cash-out of 1.3m

The major outflows from acquisitions and investments during the period are as follows:

- Sonaecom Sistemas de Informação reimbursed 0.7 million euros of supplementary capital;
- To cover the MTIP responsibilities, Sonaecom SGPS invested 2.0 million euros in the acquisition of own shares during the first half of 2009.

D. Net Shareholder loans – 126.2 million euros increase

During the period, the total amount of shareholder loans applied by Sonaecom SGPS in subsidiaries, increased by 126.2 million euros:

- Sonaecom has placed additional 134.4 million euros at Be Artis and 0.8m in Sonaetelecom BV;
- Sonaecom SGPS decreased loans on Sonaecom BV by 8.7m and on Sonaecom Sistemas de Informação by 0.3m;

E. Sonaecom financial movements – positive 2.6 million

Sonaecom SGPS' operational and financial activity generated a net inflow of 2.6 million euros which was essentially driven by the following movements:

- Dividends of 3.1 million euros received from Sonaecom Sistemas de Informação and dividends of 0.4 million euros received from Sonatelecom SGPS;
- Negative net out-flows related with the negative net financial activity amounting to 3.1 million Euros; and
- A positive operational Free Cash Flow of 2.2 million euros.

8. Main Regulatory Developments

The following are some of the more important regulatory developments during the 1H09:

Next Generation Access Networks (NGNs)

Following the public consultation promoted in June 2008, Anacom published last January a report on the regulatory approach to NGNs. This report introduces a set of proposals representing the regulator's vision on this issue. Among other conclusions, the regulator proposes a division of the national territory in competitive and non competitive areas, in line with the decision on Markets 4 and 5. As regarding to the transition between ULL and NGN, Anacom recognizes the need to protect the investment carried by alternative operators. In this context, the incumbent should ensure a timely publication of information on the evolution of the copper network to NGN, as well as continue to provide access to the copper infrastructure (MDF and loops) for a reasonable period of time.

The regulator has given no timetable to implement the approaches presented in the report.

New mobile operator (450-470 MHz)

Anacom decided to dismiss the application of RNT - Rede Nacional de Telecomunicações, S.A. for a further extension of the deadline to comply with the obligations to provide the bank guarantee in respect of the development of information society commitments. This deadline had previously been extended by 20 working days by decision of 16 January 2009. Following this decision, the regulator issued a draft decision cancelling the awarding of the frequencies in the 450-470 MHz band to RNT.

Portability Regulation

Anacom's decision on the new portability regulation was published during 1Q09. Despite legal actions, aimed at suspending the effects of this decision, filed by TMN and PTC, to which Anacom responded by raising the public interest, the new regulation entered in force in March.

The main changes introduced were the reduction of certain timings, with significant implications in the portability processes, and the introduction of financial compensations for breach of terms regarding the porting processes.

EU Roaming Regulation

The European Parliament and the European Council approved during 2Q09 the new regulation over international roaming services (EC regulation nº 544/009). This regulation extends the control over roaming voice services pricing until 2012, imposes per second billing and introduces regulation over retail and wholesale SMS roaming pricing. In relation to data services, the new regulation establishes a control over wholesale prices and foresees the adoption of several measures aimed at increasing consumer visibility over pricing.

Broadband Wireless Access: Terms of Tender

Anacom launched a public consultation on the terms of the tender process for the granting of frequencies rights in the 3400 – 3800 MHz band, for the purpose of providing broadband wireless access ("BWA") services.

In line with previous consultations on the matter, the proposed terms for the tender include a two staged process. In the first phase of this process the following entities are not allowed to participate: (i) holders of frequency rights in this band and/or other frequencies rights for the rendering of mobile services; (ii) operators designated as having significant market power in market 5 (wholesale broadband access) and; (iii) entities which are subsidiaries or which control companies which fall under the previous categories.

Mobile termination rates: TMN appeal rejected

The Lisbon Administrative Court has decided not to uphold the request presented by TMN aimed at suspending Anacom's deliberation in relation to price controls on mobile termination rates, which foresees asymmetric termination rates in favour of Sonaecom (Optimus). In 2008, the same court had already rejected a similar request presented by Vodafone.

Legal regime for the construction and access to communication's infrastructures (Decree-Law nº 123/2009)

The legal regime that defines the terms for construction, access and installation of electronic communications' networks and infrastructures was published at the end of May 2009.

Alongside rules for the construction of new and extension of existing infrastructures, this Decree-Law foresees the granting, to the electronic communication providers, of access rights to all ducts and infrastructure owned by the Portuguese state and other public entities. It is also worth noting the creation of the "Sistema de Informação Centralizado" (Centralised Information System), a system which will gather all the information concerning ducts and other infrastructure held by operators and by any public entity.

This diploma has also introduced an obligation to the first operator to access a certain building to install the vertical optical fibre network in a manner that allows its sharing with other operators. These operators will have to bear part of the costs incurred by the first mover. The specific conditions for the implementation of these guidelines will now be set by the Government.

9. Corporate Governance

A detailed annual Corporate Governance Report is included in Sonaecom's full year 2008 Management Report and Accounts available on our website (www.sonae.com). Our website also has a specific section dedicated to corporate governance.

Highlighted below are the main developments that occurred during 1H09 in relation to corporate governance matters:

2009 Shareholders Annual General Meeting

At the company's Annual General Meeting held on 17 April 2009, shareholders have approved, among others, the following proposals:

- 1) To approve the Annual Report and Individual and Consolidated Accounts of Sonaecom, SGPS, S.A. for the year ended 31 December 2008, as presented;
- 2) To approve the proposed application of the company's positive Net Result;
- 3) To authorize the Board of Directors to, over the next 18 months and subject to the limits established by law, purchase and sell own shares, under the terms of the proposal that was presented by the Board;
- 4) To authorize the purchase and holding of shares of Sonaecom, over the next 18 months, by directly or indirectly controlled companies.

The complete list of proposals is available in the Investor Relations section of our website (www.sonae.com).

Resignation of member of the Board of Directors

On 4 May 2009, Christopher Lawrie presented his resignation as a member of the Board of Directors and as the CFO of the company. As announced by the Sonae Group on the same date, Christopher Lawrie has taken up a new role as CEO of a recently created retail real estate business unit.

Acquisition of own shares

From 13 March to 8 April 2009, Sonaecom purchased, through the Euronext Lisbon Stock Exchange, a total of 1,419,802 own shares representing approximately 0.39% of its share capital. The weighted average price of all the purchases referred above stood at 1.4 euros per share.

As at the end of 1H09, Sonaecom was the holder of 6,564,202 own shares, representing approximately 1.79% of its share capital.

10. Article 447, 448 and qualified holdings

Article 447

In accordance with article 447 of the Portuguese Company Law.

Shares held by the Board of Directors and respective transactions during first half 2009

	Date	Additions		Reductions		Balance at
		Quantity	Av. Value €	Quantity	Av. Value €	30.06.2009
BOARD OF DIRECTORS						
Duarte Paulo Teixeira de Azevedo						
Efanor Investimentos, SGPS, SA (1)						1
Migracom, SGPS, SA (3)						1,969,996
Sonae, SGPS, SA (6)						3,293
Ângelo Gabriel Ribeirinho dos Santos Paupério						
Sonae, SGPS, SA (6)						250,000
Sonaecom, SGPS, SA						225,000
Miguel Nuno Santos Almeida						
Sonaecom, SGPS, SA						20,857
Shares attributed under the Medium Term Incentive Plan	10.03.2009	2,600	0.00			
Maria Cláudia Teixeira de Azevedo						
Efanor Investimentos, SGPS, SA (1)						1
Linhacom, SGPS, SA (4)						99,996
Sonaecom, SGPS, SA						170
Shares attributed under the Medium Term Incentive Plan	10.03.2009	1,861	0.00			
Sale	17.03.2009			1,861	1.21	
Luís Filipe Campos Dias de Castro Reis						
Sonaecom, SGPS, SA						8,552
Shares attributed under the Medium Term Incentive Plan	10.03.2009	3,698	0.00			

Notes:

	Date	Additions		Reductions		Balance at
		Quantity	Valor Md. €	Quantity	Valor Md. €	30.06.2009
(1) Efanor Investimentos, SGPS, SA						Quantity
Sonae, SGPS, SA (6)						659,650,000
Pareuro, BV (2)						2,000,000
Sonaecom, SGPS, SA						1,000
(2) Pareuro, BV						
Sonae, SGPS, SA (6)						400,000,000
(3) Migracom, SGPS, SA						
Imparfin, SGPS, SA (5)						150,000
Sonae, SGPS, SA (6)						1,485,000
Sonaecom, SGPS, SA						387,342
(4) Linhacom, SGPS, SA						
Imparfin, SGPS, SA (5)						150,000
Sonae, SGPS, SA (6)						351,296
Sonaecom, SGPS, SA						38,044
Acquisition	17.03.2009	1,861	1.21			
(5) Imparfin, SGPS, SA						
Sonae, SGPS, SA (6)						4,105,280
(6) Sonae, SGPS, SA						
Sonaecom, SGPS, SA						838,649
Sontel BV (8)						4,286
(7) Sonae Investments BV						
Sontel BV (8)						5,714
(8) Sontel BV						
Sonaecom, SGPS, SA						193,944,470
Acquisition	Jan.09	393,955	1.06			

Article 448

In accordance with article 448 of the Portuguese Company Law.

	Number of shares as of 30.06.2009
Efanor Investimentos, SGPS, SA	
Sonae, SGPS, SA	659,650,000
Pareuro, BV	2,000,000
Sonaecom, SGPS, SA	1,000
Pareuro, BV	
Sonae, SGPS, SA	400,000,000
Sonae, SGPS, SA	
Sonaecom, SGPS, SA	838,649
Sonae Investments BV	2,000,000
Sontel BV	4,286
Sonae Investments BV	
Sontel BV	5,714
Sontel BV	
Sonaecom, SGPS, SA	193,944,470
Wirefree Services Belgium, S.A.	
Sonaecom, SGPS, SA	73,249,374

Qualified holdings

In compliance with sub-paragraph c), of nr 1, of the article 9 of the Securities Market Regulation Board (Regulamento da CMVM) nr 04/2004, we declare the Qualifying Holdings as of 30 June 2009:

Qualifying Holding as 30 June 2009

Shareholder	Number of Shares	% of Share Capital	% Voting Rights	
			With own shares	Without own shares
Sontel BV	193.944.470	52,95%	52,95%	53,92%
Sonae, SGPS, SA	838.649	0,23%	0,23%	0,23%
Migracom, SGPS, SA	387.342	0,11%	0,11%	0,11%
Ângelo Gabriel Ribeirinho dos Santos Paupério ^{1, 2, 4}	225.000	0,06%	0,06%	0,06%
Belmiro Mendes de Azevedo ^{1, 3}	75.537	0,02%	0,02%	0,02%
Linhacom SGPS, SA	38.044	0,01%	0,01%	0,01%
Álvaro Carmona e Costa Portela ¹	5.000	0,00%	0,00%	0,00%
Efanor Investimentos, SGPS, SA	1.000	0,00%	0,00%	0,00%
Maria Cláudia Teixeira de Azevedo ^{3, 4}	170	0,00%	0,00%	0,00%
Total attributable	195.515.212	53,38%	53,38%	54,36%
France Telecom, S.A.				
Wirefree Services Belgium, S.A.	73.249.374	20,00%	20,00%	20,36%
Total attributable	73.249.374	20,00%	20,00%	20,36%
EDP				
093X - Telecomunicações Celulares, SA	29.150.000	7,96%	7,96%	8,10%
Total attributable	29.150.000	7,96%	7,96%	8,10%

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

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

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

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

11. Declaration for the purpose of Article 245 of CVM (Portuguese Securities Code)

The signatories individually declare that, to their knowledge, the Management Report, the Consolidated and Individual Financial Statements and other accounting documents required by law or regulation were prepared meeting the standards of the applicable International Financial Reporting Standards, giving a truthful (fairly) and appropriate image, in all material respects, of the assets and liabilities, financial position and the consolidated and individual results of the issuer and that the interim Management Report faithfully describes the most relevant events occurred during the first semester of 2009 and the respective impacts, when applicable, over the financial statements, containing an appropriate description of the major risks and uncertainties within the subsequent six month period.

The Board of Directors

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho Paupério

António Sampaio e Mello

David Charles Denholm Hobley

Frank Emmanuel Dangeard

Gervais Gilles Pellissier

Jean-François René Pontal

Luís Filipe Campos Dias de Castro Reis

Maria Cláudia Teixeira de Azevedo

Miguel Nuno Santos Almeida

Nuno Manuel Moniz Trigo Jordão

12. Financial Information

12.1. Sonaecom consolidated financial statements

SONAECON, S.G.P.S., S.A. AND SUBSIDIARIES
 CONSOLIDATED BALANCE SHEETS FOR THE SEMESTERS ENDED AT 30 JUNE 2009 AND 2008
 AND FOR THE YEAR ENDED AT 31 DECEMBER 2008
 (Amounts expressed in Euro)

ASSETS	Notes	June 2009	June 2008	December 2008
NON CURRENT ASSETS:				
Tangible assets	1.d), 1.i) and 6	569,106,763	535,146,224	585,741,539
Intangible assets	1.e), 1.f) and 7	262,914,764	273,456,730	272,817,888
Goodwill	1.g) and 9	525,908,600	525,835,473	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)	14,115	-	-
Deferred tax assets	1.q) and 11	122,452,182	106,986,289	124,862,171
Total non current assets		1,481,603,744	1,443,389,105	1,510,659,822
CURRENT ASSETS:				
Inventories	1.j)	21,122,064	27,584,620	29,613,696
Trade debtors	1.k) and 8	162,151,115	185,705,402	173,693,076
Other current debtors	1.k) and 8	29,974,817	23,369,309	39,861,834
Other current assets	1.s) and 1.t)	141,021,889	108,532,584	113,893,680
Cash and cash equivalents	1.j), 8 and 12	121,374,122	6,928,032	105,719,328
Total current assets		475,644,007	352,119,947	462,781,614
Total assets		1,957,247,751	1,795,509,052	1,973,441,436
SHAREHOLDERS' FUNDS AND LIABILITIES				
SHAREHOLDERS' FUNDS:				
Share capital	13	366,246,868	366,246,868	366,246,868
Own shares	1. v) and 14	(11,703,596)	(6,036,026)	(13,499,750)
Reserves	1.u)	574,488,717	572,609,565	570,756,015
Consolidated net income/(loss) for the period		1,419,771	(12,227,592)	4,998,142
		930,451,760	920,592,815	928,501,275
Minority interests		348,446	1,021,723	452,717
Total Shareholders' Funds		930,800,206	921,614,538	928,953,992
LIABILITIES:				
NON CURRENT LIABILITIES:				
Medium and long-term loans - net of short-term portion	1.m), 1.n), 8 and 15	411,553,159	355,086,523	381,717,412
Other non current financial liabilities	1.j), 8 and 16	21,344,398	17,517,286	17,171,773
Provisions for other liabilities and charges	1.p), 1. t) and 17	32,256,634	32,469,903	32,205,441
Securitization of receivables	8 and 18	69,138,672	-	79,090,793
Deferred tax liabilities	1.q) and 11	689,659	708,186	605,414
Other non current liabilities	1.s), 1.t) and 1.y)	47,217,766	72,875,030	60,683,153
Total non current liabilities		582,200,288	478,656,928	571,473,966
CURRENT LIABILITIES:				
Short-term loans and other loans	1.m), 1.n), 8 and 15	8,439,456	747,054	5,018,044
Trade creditors	8	190,402,091	174,755,456	179,071,782
Other current financial liabilities	1.i), 8 and 19	1,335,850	979,699	1,553,506
Securitization of receivables	8 and 18	19,421,834	-	19,478,607
Other creditors	8	29,869,685	14,879,477	30,130,988
Other current liabilities	1.s), 1.t) and 1.y)	194,778,341	203,875,900	237,760,531
Total current liabilities		444,247,257	395,237,586	473,013,458
Total Shareholders' Funds and liabilities		1,957,247,751	1,795,509,052	1,973,441,436

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

The Chief Accountant

Patrícia Maria Cruz Ribeiro da Silva

The Board of Directors

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeiro Paupério

Luís Filipe Campos Dias de Castro Reis

Maria Cláudia Teixeira de Azevedo

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Jean-François René Pontal

Nuno Miguel Moniz Trígoso Santos Jordão

SONAECON, S.G.P.S., S.A. AND SUBSIDIARIES
 CONSOLIDATED PROFIT AND LOSS ACCOUNT BY NATURE
 FOR THE QUARTERS AND THE SEMESTERS ENDED AT 30 JUNE 2009 AND 2008 AND
 FOR THE YEAR ENDED AT 31 DECEMBER 2008

(Amounts expressed in Euro)

Notes	June 2009	April to June 2009 (Not audited)	June 2008	April to June 2008 (Not audited)	December 2008
Sales	79,816,865	40,801,321	43,448,742	22,826,228	106,556,250
Services rendered	401,763,258	199,887,304	432,129,758	215,057,554	869,663,720
Other operating revenues	2,325,433	1,412,006	4,335,133	2,805,239	10,493,123
	<u>483,905,556</u>	<u>242,100,631</u>	<u>479,913,633</u>	<u>240,689,021</u>	<u>986,713,093</u>
Cost of sales	(84,001,660)	(44,190,954)	(55,994,392)	(30,203,421)	(132,834,084)
External supplies and services	20 (239,664,139)	(117,362,391)	(291,240,201)	(145,607,249)	(562,645,655)
Staff expenses	(49,191,216)	(24,440,759)	(48,802,529)	(22,730,630)	(94,796,820)
Depreciation and amortisation	1. d), 1. e), 6 and 7 (79,055,333)	(39,652,476)	(77,818,774)	(40,547,950)	(157,575,667)
Provisions and impairment losses	1.p), 1.x) and 17 (13,547,520)	(7,072,373)	(7,869,804)	(3,772,316)	(21,875,618)
Other operating costs	(6,008,839)	(2,928,110)	(7,319,864)	(3,756,286)	(14,175,446)
	<u>(471,468,707)</u>	<u>(235,647,063)</u>	<u>(489,045,564)</u>	<u>(246,617,852)</u>	<u>(983,903,290)</u>
Gains and losses on associated companies	21 -	-	9,456	-	43,525
Other financial expenses	1.n), 1.o), 1.w), 1.x) and 21 (10,433,684)	(4,765,893)	(9,508,203)	(4,567,850)	(21,520,763)
Other financial income	1.o), 1.w) and 21 3,114,421	1,374,053	1,608,073	831,472	3,710,518
Current income/(loss)	5,117,586	3,061,728	(17,022,605)	(9,665,209)	(14,956,917)
Income taxation	1.q), 11 and 22 (3,525,764)	(1,828,785)	4,957,606	3,072,384	20,181,800
Consolidated net income/(loss)	1,591,822	1,232,943	(12,064,999)	(6,592,825)	5,224,883
Attributed to:					
Shareholders of parent company	26 1,419,771	1,175,603	(12,227,592)	(6,701,547)	4,998,142
Minority interests	172,051	57,340	162,593	108,722	226,741
Earnings per share					
Including discontinued operations					
Basic	0.00	0.00	(0.03)	(0.02)	0.01
Diluted	0.00	0.00	(0.03)	(0.02)	0.01
Excluding discontinued operations					
Basic	0.00	0.00	(0.03)	(0.02)	0.01
Diluted	0.00	0.00	(0.03)	(0.02)	0.01

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

The Chief Accountant

Patrícia Maria Cruz Ribeiro da Silva

The Board of Directors

Duarte Paulo Teixeira de Azevedo

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Nuno Miguel Moniz Trigos Santos Jordão

SONAECON, S.G.P.S., S.A. AND SUBSIDIARIES
 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE SEMESTERS ENDED AT 30 JUNE 2009 AND 2008

(Amounts expressed in Euro)

	Notes	June 2009	June 2008
Consolidated net income/(loss) for the period		1,591,822	(12,064,999)
Components of other consolidated comprehensive income, net of tax:			
Increase/(decrease) in financial hedging instruments' fair value	1.o) and 15	307,068	755,674
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	2,750,124	(3,186,678)
Adjustments in foreign currency translation reserves and others	1.w)	(340,285)	(44,731)
Components of other consolidated comprehensive income, net of tax		2,518,607	(362,193)
Consolidated comprehensive income for the period		4,110,429	(12,427,192)
Attributed to:			
Shareholders of parent company		3,938,378	(12,589,785)
Minority interests		172,051	162,593

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

The Chief Accountant

Patrícia Maria Cruz Ribeiro da Silva

The Board of Directors

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

CONSOLIDATED MOVEMENTS IN SHAREHOLDERS' FUNDS

FOR THE SEMESTERS ENDED AT 30 JUNE 2009 AND 2008

(Amounts expressed in Euro)

	2009											
	Share capital	Own shares (Note 14)	Legal reserves	Share premium	Other reserves	Reserves Medium Term Incentive Plans reserve	Hedging reserve	Own shares reserve	Total reserves	Minority Interests	Net income/(loss)	Total
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	570,756,015	-	4,998,142	928,501,275
Appropriation of the consolidated result of 2008	-	-	982,894	-	4,015,248	-	-	-	4,998,142	-	(4,998,142)	-
Consolidated comprehensive income for the period ended at 30 June 2009	-	3,784,046	-	-	298,967	1,912,571	307,068	(3,784,046)	(1,265,440)	-	1,419,771	3,938,378
Acquisition of own shares	-	(1,987,893)	-	-	(1,987,893)	-	-	1,987,893	-	-	-	(1,987,893)
Balance at 30 June 2009	366,246,868	(11,703,596)	1,985,181	775,290,377	(216,403,009)	1,912,571	-	11,703,596	574,488,717	-	1,419,771	930,451,760
Minority interests												
Balance at 31 December 2008	-	-	-	-	-	-	-	-	-	452,717	-	452,717
Minority interests on comprehensive income	-	-	-	-	-	-	-	-	-	172,051	-	172,051
Other changes	-	-	-	-	-	-	-	-	-	(276,322)	-	(276,322)
Balance at 30 June 2009	-	-	-	-	-	-	-	-	-	348,446	-	348,446
Total	366,246,868	(11,703,596)	1,985,181	775,290,377	(216,403,009)	1,912,571	-	11,703,596	574,488,717	348,446	1,419,771	930,800,206
	2008											
	Share capital	Own shares (Note 14)	Legal reserves	Share premium	Other reserves	Reserves Medium Term Incentive Plans reserve	Hedging reserve	Own shares reserve	Total reserves	Minority Interests	Net income/(loss)	Total
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	540,469,726	-	36,777,870	934,556,299
Appropriation of the consolidated result of 2007	-	-	-	-	36,777,870	-	-	-	36,777,870	-	(36,777,870)	-
Consolidated comprehensive income for the period ended at 30 June 2008	-	4,275,838	-	-	2,068,811	(3,186,678)	755,674	(4,275,838)	(4,638,031)	-	(12,227,592)	(12,589,785)
Acquisition of own shares	-	(1,373,699)	-	-	(1,373,699)	-	-	1,373,699	-	-	-	(1,373,699)
Balance at 30 June 2008	366,246,868	(6,036,026)	1,002,287	775,290,377	(210,887,709)	-	1,168,584	6,036,026	572,609,565	-	(12,227,592)	920,592,815
Minority interests												
Balance at 31 December 2007	-	-	-	-	-	-	-	-	-	865,131	-	865,131
Minority interests on comprehensive income	-	-	-	-	-	-	-	-	-	162,593	-	162,593
Other changes	-	-	-	-	-	-	-	-	-	(6,000)	-	(6,000)
Balance at 30 June 2008	-	-	-	-	-	-	-	-	-	1,021,723	-	1,021,723
Total	366,246,868	(6,036,026)	1,002,287	775,290,377	(210,887,709)	-	1,168,584	6,036,026	572,609,565	1,021,723	(12,227,592)	921,614,538

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

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

(Montantes expressos em Euro)

	30 June 2009		30 June 2008	
Operating activities				
Receipts from trade debtors	487,935,503		470,671,199	
Payments to trade creditors	(335,947,650)		(367,997,968)	
Payments to employees	(60,684,754)		(57,305,865)	
Cash flows from operating activities	91,303,099		45,367,366	
Payments/receipts relating to income taxes, net	(97,140)		(2,225,668)	
Other payments/receipts relating to operating activities, net	115,092		(5,033,942)	
Cash flows from operating activities (1)	91,321,051	91,321,051	38,107,756	38,107,756
Investing activities				
Receipts from:				
Investments	-		1,496,920	
Tangible assets	1,106,922		170,667	
Intangible assets	1,927		3,599	
Interest and similar income	2,879,576	3,988,425	1,425,285	3,096,471
Payments for:				
Investments	-		(927,119)	
Tangible assets	(78,964,236)		(73,184,511)	
Intangible assets	(8,889,067)	(87,853,302)	(14,358,265)	(88,469,895)
Cash flows from investing activities (2)		(83,864,877)		(85,373,424)
Financing activities				
Receipts from:				
Loans obtained	35,767,972	35,767,972	-	-
Payments for:				
Leasing	(1,389,200)		(1,345,095)	
Interest and similar expenses	(13,419,583)		(9,564,240)	
Reimbursement of supplementary capital	(800,395)		-	
Own shares	(1,987,893)		(1,373,699)	
Loans obtained	(10,024,272)	(27,621,343)	(17,500,000)	(29,783,034)
Cash flows from financing activities (3)		8,146,629		(29,783,034)
Net cash Flows (4)=(1)+(2)+(3)		15,602,803		(77,048,702)
Effect of the foreign exchanges		168,307		2,525
Cash and cash equivalents at the beginning of the period		105,598,556		83,227,155
Cash and cash equivalents at end of the period		121,369,666		6,180,978

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

Chief Accountant

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SONAECON, S.G.P.S., S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE SEMESTRES ENDED AT 30 JUNE 2009 AND 2008

(Amounts expressed in Euro)

1 - Acquisition or sale of subsidiaries or other businesses:

a) Amounts paid of acquisitions from previous years

Tecnológica Telecomunicações, Ltda.
Cape Technologies, Limited
Praesidium Holdings Limited

30 June 2009	30 June 2008
-	842,911
-	3,470
-	80,738
<u>-</u>	<u>927,119</u>

b) Amount received from acquisitions of previous years (price adjustments)

Telefólio Telecomunicações - Sociedade Unipessoal, Lda.

-	1,496,920
<u>-</u>	<u>1,496,920</u>

2 - Details of cash and cash equivalents:

Cash in hand
Cash at bank
Treasury applications
Overdrafts
Cash and cash equivalents
Overdrafts
Cash assets

76,764	60,157
30,997,928	5,462,850
90,299,431	1,405,025
<u>(4,456)</u>	<u>(747,054)</u>
121,369,666	6,180,978
4,456	747,054
121,374,122	6,928,032

3 - Description of non monetary financing activities

- a) Bank credit granted and not used
b) Purchase of companies through the issue of shares
c) Conversion of loans into shares

67,899,401	132,111,398
Not applicable	Not applicable
Not applicable	Not applicable

4 - Cash flow breakdown by activity

Activity	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Net Cash Flows
Telecommunication	132,253,848	(84,149,644)	(15,440,309)	32,663,895
Multimedia	(923,794)	(478,565)	125,113	(1,277,246)
Information Systems	(37,316,060)	(1,210,273)	(898,899)	(39,425,232)
Holding	(2,670,205)	1,973,567	24,360,764	23,664,126
Others	(22,738)	38	(40)	(22,740)
	<u>91,321,051</u>	<u>(83,864,877)</u>	<u>8,146,629</u>	<u>15,602,803</u>

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

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12.2. Notes to the Sonaecom consolidated financial statements

Notes to the consolidated financial statements as at 30 June 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, and to IFRS 2, 5 and 8, and also to IFRIC 9 and 16, mandatory at different moments, the first one occurring at 1 July 2009;
- Amendments to IAS 27 and 39, mandatory at 1 July 2009;
- Amendment to IAS 39, mandatory at 1 July 2009, but not yet endorsed in the EU;
- 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;
- Review of IFRS 3 – "Business Combinations" (includes amendments to IAS 27, 28 and 31), mandatory at 1 July 2009;
- IFRIC 15 – "Agreements for the Construction of Real Estate", both mandatory at 1 January 2009, but not yet endorsed in the EU;
- IFRIC 17 – "Distributions of Non-cash Assets to Owners", mandatory at 1 July 2009;
- IFRIC 18 – "Transfers of Assets from Customers", mandatory at 1 July 2009.

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

During the semester ended 30 June 2009, the Sonaecom adopted the changes contained in IAS 1 – “Presentation of Financial Statements”, which resulted, essentially, 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 June 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'.

l) 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 June 2009, Sonaecom, SGPS, S.A., had the amount of Euro 422,657 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:

	2009		2008	
	30.06.09	Average	30.06.08	Average
Pounds Sterling	1.17357	1.11959	1.26223	1.29082
Brazilian Real	0.36405	0.34290	0.39822	0.38563
American Dollar	0.70751	0.75125	0.63436	0.65407
Polish Zloti	0.22462	0.22375	0.29839	0.28668
Australian Dollar	0.57607	0.53358	0.61084	0.60473
Mexican Peso	0.05390	0.05426	-	-
Egyptian Pound	7.89141	7.47969	-	-
Malaysian Ringgit	0.20128	0.20933	-	-

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 June 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 June 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 semesters ended at 30 June 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 16.

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 June 2009 and 2008, are as follows:

			Percentage of share capital held				
Company (Commercial Brand)	Head Office	Main activity	Shareholder	2009		2008	
				Direct	Effective*	Direct	Effective*
<u>Parent company:</u>							
SONAECOM, S.G.P.S., S.A. ("Sonaecom")	Maia	Management of shareholdings.	-	-	-	-	-
<u>Subsidiaries:</u>							
Be Artis - Conceção, Construção e Gestão de Redes de Comunicações, S.A. ("Artis")	Maia	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")	Maia	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")	Cardiff	Rendering of consultancy services in the area of information systems.	Cape Technologies	100%	100%	100%	100%
Digitmarket – Sistemas de Informação, S.A. ("Digitmarket" – using the brand " 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") (a)	Maia	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%	-	-
Mainroad – Serviços em Tecnologias de Informação, S.A. ("Mainroad")	Maia	Rendering of consultancy services in IT areas.	Sonae.com Sistemas de Informação	100%	100%	100%	100%
Miauger – Organização e Gestão de Leilões Electrónicos, S.A. ("Miauger")	Maia	Organisation and management of electronic auctions of products and services on-line.	Sonaecom	100%	100%	100%	100%
* Sonaecom effective participation							
(a) Company established in June 2008.							

Company (Commercial Brand)	Head Office	Main activity	Shareholder	Percentage of share capital held			
				2009		2008	
				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")	Maia	Purchase, sale, renting and operation of property and commercial establishments.	Sonaecon 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")	Porto	Editing, composition and publication of periodical and non-periodical material.	Sonae telecom BV	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%
Sonaecon BV	Amsterdam	Management of shareholdings.	Sonaecon	100%	100%	100%	100%
Sonaecon - Serviços de Comunicações, S.A. ("Novis" and "Optimus")	Maia	Implementation, operation, exploitation and offer of networks and rendering services of electronic communications and related resources; offer and commercialisation of products and equipments of electronic communications.	Sonaecon	53.54%	53.54%	53.54%	53.54%
			Sonae Telecom	37.94%	37.94%	37.94%	37.94%
			Sonaecon BV	8.52%	8.52%	8.52%	8.52%
Sonaecon - 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.	Sonaecon	100%	100%	100%	100%
Sonae Telecom, S.G.P.S., S.A. ("Sonae Telecom")	Maia	Management of shareholdings in the area of telecommunications.	Sonaecon	100%	100%	100%	100%

* Sonaecon effective participation

Company (Commercial Brand)	Head Office	Main activity	Shareholder	Percentage of share capital held			
				2009		2008	
				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, Lda. ("Tele2")	Lisbon	Rendering of mobile telecommunications services, including fixed telecommunications and internet service.	Sonaecom	Merged		100%	100%
We Do Consulting – Sistemas de Informação, S.A. ("We Do")	Maia	Rendering of consultancy services in the area of information systems.	Sonaecom Sistemas de Informação	100%	100%	100%	100%
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%	-	-
We Do Technologies BV - Malaysia Branch ("We Do Malaysia") (b)	Kuala Lumpur	Rendering of consultancy services in the area of information systems.	We Do BV	100%	100%	-	-
We Do Technologies Mexico, S de R.L. ("We Do Mexico") (b)	Cidade do México	Rendering of consultancy services in the area of information systems.	We Do BV	95%	95%	-	-
			Sonaecom BV	5%	5%	-	-
We Do Technologies Egypt a Limited ("We Do Egypt") (b)	Cairo	Rendering of consultancy services in the area of information systems.	We Do BV	90%	90%	-	-
			Sonaecom BV	5%	5%	-	-
			Sonaetelecom BV	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")	Sydney	Rendering of consultancy services in the area of information systems.	Cape Technologies	100%	100%	100%	100%

* Sonaecom effective participation
(a) Company established in June 2008.
(b) Companies established in September 2008.

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 June 2009 and 2008, the Group jointly controls and consolidates through the proportional method the following companies:

Company (Commercial Brand)	Head Office	Main activity	Shareholder	Percentage of share capital held			
				2009		2008	
				Direct	Effective*	Direct	Effective*
Vipu Ace ("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)	V. N. Gaia	Trade and industry of graphic design and publishing.	Público	50%	50%	40%	40%

* So naecom effective participation

(a) Company held by 50% since December 2008 and formerly consolidated by the equity method (Note 4).

At 30 June 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	3,573,926	13,279
Current assets	598,198	147,268
Non current liabilities	(3,134,783)	-
Current liabilities	(483,084)	(179,367)
Net result	(33,880)	286,340
Total revenues	(962,797)	(199,753)
Total costs	928,917	486,094

4. Investments in associated companies

At 30 June 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:

Company (Commercial brand)	Head Office	Main activity	Shareholder	Percentage of share capital held				Book value	
				2009		2008			
				Direct	Effective*	Direct	Effective*	2009	2008
Associated companies:									
Net Mall, S.G.P.S., S.A. ("Net Mall")	Maia	Management of shareholdings.	Sonae Com Sistemas de Informação	(Liquidated)		39.51%	39.51%	-	(a)
Sociedade Independente de Radiodifusão Sonora, S.A. ("S.I.R.S." – using the brand name " Rádio Nova")	Oporto	Sound broadcasting. Radio station.	Público	45%	45%	45%	45%	(a)	(a)
Unipress – Centro Gráfico, Lda. ("Unipress")	V.N.Gaia	Trade and industry of graphic design and publishing.	Público	50%	50%	40%	40%	(b)	757,069
								-	757,069

* So naecom effective participation

(a) Investment recorded at a nil book value

(b) From 31 December 2008, the company is consolidated by the proportional method.

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

2009				
Company	Assets	Liabilities	Total revenues	Net results
Sociedade Independente de Radiodifusão Sonora, S.A.	651,043	646,061	628,872	41,458
2008				
Company	Assets	Liabilities	Total revenues	Net results
Unipress - Centro Gráfico, Lda ⁽¹⁾	9,828,695	7,947,107	3,581,171	53,639
Sociedade Independente de Radiodifusão Sonora, S.A.	649,816	604,547	672,814	89,362
Netmall, S.G.P.S., S.A.	14,568	21,488	115	(1,203)

(1) Values at 31.12.2007

5. Changes in the Group

During the semesters ended at 30 June 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 semester ended at 30 June 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 semesters ended at 30 June 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	-	136,400	4,490,179	346,581	5,062,625	-	125,258	33,829,945	43,990,988
Disposals	-	(316,630)	(461,261)	(196,633)	(93,492)	-	-	9,600	(1,058,416)
Transfers and write-offs	-	9,004,575	31,435,323	-	1,716,584	3,643	14,870	(42,790,981)	(615,986)
Balance at 30.06.2009	1,391,593	261,120,260	926,761,816	311,064	163,792,832	1,192,972	5,279,832	79,203,066	1,439,053,435
ACCUMULATED DEPRECIATION AND IMPAIRMENT 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 semester	-	5,313,492	44,953,803	21,371	8,423,027	11,467	344,386	-	59,067,546
Disposals	-	(13,619)	(103,433)	(5,261)	(7,780)	-	-	-	(130,093)
Transfers and write-offs	-	(21,766)	26,869	-	8,808	(2)	-	-	13,909
Balance at 30.06.2009	-	136,188,672	590,172,109	141,601	138,953,664	1,142,579	3,348,047	-	869,946,672
Net value	1,391,593	124,931,588	336,589,707	169,463	24,839,168	50,393	1,931,785	79,203,066	569,106,763

	Land	Buildings and other constructions	Plant and machinery	Vehicles	Fixtures and fittings	Tools	Other tangible assets	Work in progress	Total
GROSS ASSETS									
Balance at 31.12.2007	1,391,593	235,216,110	842,983,026	129,546	143,432,036	1,096,920	2,728,382	36,846,800	1,263,824,413
Additions	-	915,547	4,021,007	17,404	5,443,169	-	1,573,221	47,668,470	59,638,818
Disposals	-	(52,945)	(157,032)	(18,224)	(223,460)	-	-	-	(451,661)
Transfers and write-offs	-	2,758,478	28,388,925	-	1,943,938	10,258	1,850	(33,167,648)	(64,199)
Balance at 30.06.2008	1,391,593	238,837,190	875,235,926	128,726	150,595,683	1,107,178	4,303,453	51,347,622	1,322,947,371
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES:									
Balance at 31.12.2007	-	118,050,343	492,489,934	94,160	116,612,257	1,040,128	2,371,081	-	730,657,903
Depreciation for the semester	-	6,323,316	42,859,782	13,687	7,822,523	10,495	246,374	-	57,276,177
Disposals	-	(11,136)	(93,698)	(2,408)	(78,468)	-	-	-	(185,710)
Transfers and write-offs	-	60,000	1,278	-	(10,077)	-	1,576	-	52,777
Balance at 30.06.2008	-	124,422,523	535,257,296	105,439	124,346,235	1,050,623	2,619,031	-	787,801,147
Net value	1,391,593	114,414,667	339,978,630	23,287	26,249,448	56,555	1,684,422	51,347,622	535,146,224

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 25,509,674 as of 30 June 2009 and 2008, and their net book value as of those dates amounted to Euro 20,405,439 and Euro 19,889,781 respectively.

At 30 June 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 June 2009 and 2008 were made up as follows:

	2009	2008
Development of mobile network	35,712,592	36,867,165
Development of fixed network	35,770,692	7,816,717
Information systems	4,059,504	3,287,083
Other projects in progress	3,660,278	3,376,657
	<u>79,203,066</u>	<u>51,347,622</u>

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

	2009	2008
Network	35,493,458	42,580,583
Information systems	5,680,925	7,973,577
	<u>41,174,382</u>	<u>50,554,160</u>

7. Intangible assets

In the semesters ended at 30 June 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 rights	Software	Intangible assets in progress	Total
GROSS ASSETS:				
Balance at 31.12.2008	287,617,028	214,987,219	11,249,369	513,853,616
Additions	46,479	850,558	8,298,276	9,195,313
Disposals	(27)	(1,900)	(5,250)	(7,177)
Transfers and write-offs	34,609	6,134,767	(5,128,018)	1,041,358
Balance at 30.06.2009	287,698,089	221,970,644	14,414,377	524,083,110
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES:				
Balance at 31.12.2008	69,111,102	171,924,626	-	241,035,728
Amortisation for the semester	8,335,987	11,651,775	-	19,987,762
Disposals	(1)	-	-	(1)
Transfers and write-offs	-	144,857	-	144,857
Balance at 30.06.2009	77,447,088	183,721,258	-	261,168,346
Net value	210,251,001	38,249,386	14,414,377	262,914,764

	Brands and patents and other rights	Software	Intangible assets in progress	Total
GROSS ASSETS:				
Balance at 31.12.2007	184,616,429	212,851,390	5,011,298	402,479,117
Additions	96,036,912	1,349,406	6,993,077	104,379,395
Disposals	-	(3,599)	-	(3,599)
Transfers and write-offs	13,359	1,813,470	(1,620,454)	206,375
Balance at 30.06.2008	280,666,700	216,010,667	10,383,921	507,061,288
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES:				
Balance at 31.12.2007	48,060,543	164,981,940	-	213,042,483
Amortisation for the semester	10,672,751	9,869,846	-	20,542,597
Disposals	-	(229)	-	(229)
Transfers and write-offs	(1)	19,708	-	19,707
Balance at 30.06.2008	58,733,293	174,871,265	-	233,604,558
Net value	221,933,407	41,139,402	10,383,921	273,456,730

At 30 June 2009, the caption 'Brands and patents and other rights' includes the amount of Euro 95 million that represent the present value of the estimated responsibilities with the "Initiatives E" project, recorded in June 2008.

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 June 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 June 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 June 2009 and 2008, the Group kept recorded under the heading 'Intangible assets' the amounts of Euro 192,896,038 and Euro 199,575,948, respectively, that correspond to the investments net of depreciations made in the development of the UMTS network, including: (i) Euro 64,506,194 (amount of Euro 67,506,482 in 2008) related to the license; (ii) Euro 21,553,884 (amount of Euro 22,556,391 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 6,619,849 (Euro 6,927,749 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 94,704,665 (Euro 96,817,534 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 June 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 June 2009 and 2008, such expenses amounted to Euro 17,941,771 and Euro 15,109,729, respectively. The amount capitalised in the semesters ended at 30 June 2009 and 2008 were Euro 863,952 and Euro 743,969, respectively. An interest capitalisation rate of 3.13% was used in 2009 (5.10% in 2008), which corresponds to the average interest rate supported by the Group.

8. Breakdown of financial instruments

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

2009							
	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	-	162,151,115	-	-	162,151,115	-	162,151,115
Other current debtors	-	21,122,331	-	-	21,122,331	8,852,486	29,974,817
Cash and cash equivalents (Note 12)	-	121,374,122	-	-	121,374,122	-	121,374,122
	-	304,647,568	-	-	304,647,568	8,852,486	313,500,054
2008							
	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	-	185,705,402	-	-	185,705,402	-	185,705,402
Other current debtors	-	7,966,442	-	-	7,966,442	15,402,867	23,369,309
Cash and cash equivalents (Note 12)	-	6,928,032	-	-	6,928,032	-	6,928,032
	-	200,599,876	-	-	200,599,876	15,402,867	216,002,743

2009							
	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)	-	-	411,553,159	-	411,553,159	-	411,553,159
Other non current financial liabilities (Note 16)	-	-	-	21,344,398	21,344,398	-	21,344,398
Securitization of receivables (Note 18)	-	-	69,138,672	-	69,138,672	-	69,138,672
	-	-	480,691,831	21,344,398	502,036,229	-	502,036,229
Current liabilities							
Short-term loans and other loans (Note 15)	-	-	8,439,456	-	8,439,456	-	8,439,456
Trade creditors	-	-	-	190,402,091	190,402,091	-	190,402,091
Other current financial liabilities (Note 19)	-	-	-	1,335,850	1,335,850	-	1,335,850
Securitization of receivables (Note 18)	-	-	19,421,834	-	19,421,834	-	19,421,834
Other creditors	-	-	-	16,033,985	16,033,985	13,835,700	29,869,685
	-	-	27,861,290	207,771,926	235,633,216	13,835,700	249,468,916
2008							
	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)	-	(1,168,584)	356,255,107	-	355,086,523	-	355,086,523
Other non current financial liabilities (Note 16)	-	-	-	17,517,286	17,517,286	-	17,517,286
	-	(1,168,584)	356,255,107	17,517,286	372,603,809	-	372,603,809
Current liabilities							
Short-term loans and other loans (Note 15)	-	-	747,054	-	747,054	-	747,054
Trade creditors	-	-	-	174,755,456	174,755,456	-	174,755,456
Other current financial liabilities (Note 19)	-	-	-	979,699	979,699	-	979,699
Other creditors	-	-	-	5,396,093	5,396,093	9,483,384	14,879,477
	-	-	747,054	181,131,248	181,878,302	9,483,384	191,361,686

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 semesters ended at 30 June 2009 and 2008, the movements occurred in goodwill were as follows:

	2009	2008
Opening balance	526,030,904	528,216,604
Others	(122,304)	(2,381,131)
Closing balance	525,908,600	525,835,473

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

During the semester ended at 30 June 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 June 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	915,718	1,164,290
Unipress	321,698	-
SIRS	72,820	72,820
Permar	47,253	47,253
Optimus Towering	10,713	10,713
	<u>525,908,600</u>	<u>525,835,473</u>

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

		2009			2008		
		Gross amount	Accumulated impairment losses (Note 17)	Net amount	Gross amount	Accumulated impairment losses (Note 17)	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
		<u>1,207,320</u>	<u>-</u>	<u>1,207,320</u>	<u>1,207,320</u>	<u>-</u>	<u>1,207,320</u>

At 30 June 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):

	Assets	Shareholders fund's	Gross debt	Turnover	Operational 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 semesters ended at 30 June 2009 and 2008, the heading 'Investments available for sale' did not present any movements.

11. Deferred tax

Deferred tax assets at 30 June 2009 and 2008, amounted to Euro 122,452,182 and Euro 106,986,289, 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 semesters ended at 30 June 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	(2,527,789)	1,307,194
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)	-	2,895,600
Movements in provisions not accepted for tax purposes and tax benefits	1,909,351	-
Reversal of deferred tax assets related to the securitization of future receivables	(1,610,000)	-
Temporary net differences between the tax and the accounting amount of certain fixed assets	(440,448)	1,671,982
Sub-total effect on results (Note 22)	(2,668,886)	5,874,776
Others	258,897	(6,583)
Closing balance	122,452,182	106,986,289

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 semester ended at 30 June 2009, an amount of Euro 1.6 million was reversed corresponding to the reversal of the above referred temporary difference during the period.

At 30 June 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 June 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 June 2009 was as follows:

Nature	Companies included in the tax group	Companies excluded from the tax group					Total Sonaecom Group
		Praesidium	Digitmarket	Saphety	Cape	Total	
Tax losses:							
To be used until 2010	230,287	-	200,338	-	-	200,338	430,625
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
To be used until 2014	-	-	-	-	-	-	-
Unlimited Utilisation	-	99,931	-	-	134,506	234,437	234,437
Tax losses prior to the establishment of the tax group	501,000	99,931	411,000	138,000	134,506	783,437	1,284,437
Tax losses recorded as a result from the establishment of the tax group	2,090,464	-	-	-	-	-	2,090,464
Tax provisions not accepted and other temporary differences	10,509,959	-	-	-	-	-	10,509,959
Tax benefits (SIFIDE)	1,716,399	-	-	-	-	-	1,716,399
Adjustments in the conversion to IAS/ IFRS	38,055,320	-	-	-	-	-	38,055,320
Temporary differences arising from the securitization of receivables	14,490,000	-	-	-	-	-	14,490,000
Differences between the tax and accounting amount of certain fixed assets and others	54,305,604	-	-	-	-	-	54,305,604
Total	121,668,745	99,931	411,000	138,000	134,506	783,437	122,452,182

At 30 June 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
Tax losses	49,155,043	99,849,152
Temporary differences (mainly provisions not accepted for tax purposes)	34,473,695	19,453,559
Adjustments in the conversion to IAS/IFRS	(248,141)	(31,079)
	83,380,597	119,271,633

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

Due date	2009	2008
2008	-	26,456,500
2009	1,245,631	9,879,797
2010	4,219,398	5,300,303
2011	10,029,169	13,094,164
2012	9,040,807	15,414,302
2013	16,001,253	19,386,798
2014	1,326,762	3,872,549
2015	2,950,105	2,577,298
2016	1,204,308	1,856,648
2017	1,771,661	1,033,556
2018	50,355	-
Unlimited	1,315,594	977,238
	<u>49,155,043</u>	<u>99,849,152</u>

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 deferred tax liabilities on 30 June 2009 and 2008, amount to Euro 689,659 and Euro 708,186, respectively, and result mainly from consolidation adjustments.

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

	2009	2008
Opening balance	(605,414)	(284,402)
Impact on results		
Consolidation adjustments	(84,246)	(411,412)
Total impact in results (Note 22)	<u>(689,660)</u>	<u>(411,412)</u>
Others	1	(12,372)
Closing balance	<u>(689,660)</u>	<u>(708,186)</u>

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

	2009	2008
Earnings before taxes	5,117,586	(17,022,605)
Income tax rate (25%)	(1,279,396)	4,255,651
Deferred tax assets not recognised in the individual accounts and/or resulting from consolidation adjustments and other adjustments to taxable income	(3,631,026)	(3,454,215)
Deferred tax assets not recognised in previous years	-	2,895,600
Record of deferred tax liabilities	(84,245)	(411,412)
Movements in provisions not accepted for tax purposes and tax benefits	1,909,351	-
Reversion of deferred tax assets related to the securitization of future receivables	(1,610,000)	-
Movements in the temporary differences between the tax and accounting amounts of certain fixed assets	(440,448)	1,671,982
Income taxation recorded in the period (Note 22)	(3,525,764)	4,957,606

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 June 2009 and 2008.

12. Cash and cash equivalents

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

	2009	2008
Cash	76,764	60,157
Bank deposits repayable on demand	30,997,928	5,462,850
Treasury applications	90,299,431	1,405,025
Cash and cash equivalents	121,374,122	6,928,032
Bank overdrafts (Note 15)	(4,456)	(747,054)
	121,369,666	6,180,978

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

	2009	2008
Sonae Investments BV	90,000,000	-
Foreign bank applications	299,431	615,025
National bank applications	-	790,000
	90,299,431	1,405,025

During the semester ended at 30 June 2009, the above mentioned treasury applications bear interests at an average rate of 2.944% (4.103% in 2008).

13. Share capital

At 30 June 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%	194,423,837	53.09%
Atlas Service Belgium	73,249,374	20.00%	-	-
Shares traded on the Portuguese Stock Exchange ('Free float')	62,569,173	17.08%	70,782,961	19.33%
093X (EDP)	29,150,000	7.96%	29,150,000	7.96%
Own shares	6,564,202	1.79%	1,588,553	0.43%
Sonae SGPS	838,649	0.23%	23,649	0.01%
Efanor Investimentos, S.G.P.S., S.A	1,000	0.00%	1,000	0.00%
Wirefree Services Belgium, S.A.	-	0.00%	70,276,868	19.19%
	<u>366,246,868</u>	<u>100.00%</u>	<u>366,246,868</u>	<u>100.00%</u>

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.

14. Own shares

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

Additionally, during the semester, Sonaecom acquired 1,419,802 shares (at an average price of Euro 1.40), holding at 30 June 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 June 2009 and 2008, the heading Loans had the following breakdown:

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

Company	Issue denomination	Limit	Maturity	Type of reimbursement	Amount outstanding	
					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	-	-	-	(2,162,587)	(2,661,755)
	Interests incurred but not yet due	-	-	-	87,150	200,067
	Fair value of sw aps	-	-	-	-	(542,778)
					<u>147,924,563</u>	<u>146,995,534</u>
Sonaecom SGPS	Commercial paper	250,000,000	100.000.000 until Jul-10 150.000.000 until Jul-12	-	230,000,000	207,500,000
		70,000,000	Jul-10	-	33,000,000	-
	Costs associated with financing set-up	-	-	-	(357,826)	(448,392)
	Interests incurred but not yet due	-	-	-	203,915	1,665,187
	Fair value of sw aps	-	-	-	-	(625,806)
					<u>262,846,089</u>	<u>208,090,989</u>
Unipress	Bank loan	-	-	-	395,562	-
Saphety	Minority shareholder loan's	-	-	-	386,945	-
					<u>411,553,159</u>	<u>355,086,523</u>

b) Short-term loans and other loans:

Company	Lender	Type	Amount outstanding	
			2009	2008
Sonaecom	CGD	Overdraft facility	8,435,000	-
Several	Several	Bank overdrafts	4,456	747,054
			<u>8,439,456</u>	<u>747,054</u>

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 3.99%.

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 June 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	After N+5
Bond Loan						
Reimbursements	-	-	-	150,000,000	-	-
Interests	3,486,000	3,486,000	3,495,551	1,633,167	-	-
Commercial paper						
Reimbursements	-	113,000,000	-	150,000,000	-	-
Interests	3,258,770	1,888,927	1,775,850	145,960	-	-
	<u>6,744,770</u>	<u>118,374,927</u>	<u>5,271,401</u>	<u>301,779,127</u>	<u>-</u>	<u>-</u>
2008						
	N+1	N+2	N+3	N+4	N+5	After N+5
Bond Loan						
Reimbursements	-	-	-	-	150,000,000	-
Interests	9,153,050	9,153,050	9,153,050	9,178,058	8,902,967	-
Commercial paper						
Reimbursements	-	-	57,500,000	-	150,000,000	-
Interests	9,781,390	9,781,390	8,669,902	7,149,334	605,545	-
	<u>18,934,440</u>	<u>18,934,440</u>	<u>75,322,952</u>	<u>16,327,392</u>	<u>309,508,512</u>	<u>-</u>

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 June 2009 and 2008, the available credit lines of the Group were as follows:

2009						
Company	Credit	Limit	Amount outstanding	Amount available	Maturity	
					Until 12 months	More than 12 months
Sonaecom	Commercial paper	250,000,000	230,000,000	20,000,000		x
Sonaecom	Commercial paper	70,000,000	33,000,000	37,000,000		x
Sonaecom	Overdraft facilities	15,000,000	8,435,000	6,565,000	x	
Sonaecom	Bond loan	150,000,000	150,000,000	-		x
Público	Overdraft facilities	1,496,394	-	1,496,394	x	
Público	Overdraft facilities	1,500,000	-	1,500,000	x	
Público	Authorised overdrafts	1,246,995	-	1,246,995	x	
WeDo Brasil	Overdraft facilities	91,012	-	91,012	x	
		489,334,401	421,435,000	67,899,401		

2008						
Company	Credit	Limit	Amount outstanding	Amount available	Maturity	
					Until 12 months	More than 12 months
Sonaecom	Commercial paper	250,000,000	207,500,000	42,500,000		x
Sonaecom	Commercial paper	70,000,000	-	70,000,000		x
Sonaecom	Overdraft facilities	15,000,000	-	15,000,000	x	
Sonaecom	Bond loan	150,000,000	150,000,000	-		x
Público	Overdraft facilities	1,496,394	-	1,496,394	x	
Público	Overdraft facilities	1,500,000	-	1,500,000	x	
Público	Authorised overdrafts	1,246,995	-	1,246,995	x	
WeDo Brasil	Overdraft facilities	368,009	-	368,009	x	
		489,611,398	357,500,000	132,111,398		

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

2008						
Company	Hedged loan	Notional amount	Maturity date	Base rate	Fixed rate contracted	Fair value of the derivative instruments
Sonaecom	Commercial paper	110,000,000	Mar-09	Euribor 6m	4.365%	(625,806)
Sonaecom	Bond loan	75,000,000	Jun-09	Euribor 6m	4.565%	(542,778)
						(1,168,584)

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.

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

16. Other non current financial liabilities

At 30 June 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 21,344,398 and Euro 17,517,286, respectively.

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

	2009		2008	
	Lease payments	Present value of lease payments	Lease payments	Present value of lease payments
Jun-08 to Jun-09	-	-	1,469,630	583,109
Jun-09 to Jun-10	1,308,810	970,156	2,386,900	1,520,457
Jun-10 to Jun-11	3,081,391	2,081,385	2,070,704	1,266,084
Jun-11 to Jun-12	2,828,536	1,922,981	1,869,068	1,124,586
Jun-12 to Jun-13	2,828,835	2,011,524	1,885,669	1,196,417
Jun-13 to Jun-14	2,660,752	1,932,887	1,677,995	1,043,570
After Jun-14	17,391,032	13,761,315	14,996,915	11,762,761
	30,099,356	22,680,248	26,356,881	18,496,985
Interests	(7,877,007)	-	(7,859,897)	-
	22,222,349	22,680,248	18,496,984	18,496,985
Short term liability (Note 19)	-	(1,335,850)	-	(979,699)
	22,222,349	21,344,398	18,496,984	17,517,286

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 semesters ended at 30 June 2009 and 2008 were as follows:

Heading	2009					Closing balance
	Opening balance	Transfers	Increases	Utilisations	Decreases	
Accumulated impairment losses on accounts receivables	75,788,067	194,177	11,157,430	(15,611,370)	(105,938)	71,422,366
Accumulated impairment losses on inventories	11,273,207	502,706	2,505,225	(484,126)	(312,929)	13,484,083
Provisions for other liabilities and charges	32,205,441	(194,177)	869,135	(196,635)	(427,130)	32,256,634
	119,266,715	502,706	14,531,790	(16,292,131)	(845,997)	117,163,083

2008						
Heading	Opening balance	Transfers	Increases	Utilisations	Decreases	Closing balance
Accumulated impairment losses on accounts receivables	66,167,308	(60,715)	5,447,551	(2,885,934)	(148,589)	68,519,621
Accumulated impairment losses on inventories	8,663,703	-	1,557,008	-	-	10,220,710
Provisions for other liabilities and charges	30,885,378	318,715	1,306,023	-	(40,212)	32,469,903
	<u>105,716,389</u>	<u>258,000</u>	<u>8,310,581</u>	<u>(2,885,934)</u>	<u>(188,801)</u>	<u>111,210,235</u>

The increase of 'Provisions for other liabilities and charges' includes the amount of Euro 894,420 associated with the dismantling of sites (Euro 377,459 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 13,547,520 (Euro 7,869,804 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 June 2009 and 2008, the breakdown of the provisions for other liabilities and charges is as follows:

	2009	2008
Dismantling of sites	21,501,561	19,265,600
Several contingencies	4,357,356	6,711,664
Legal processes in progress	2,094,111	2,471,032
Indemnities	626,656	694,443
Others	3,676,950	3,327,164
	<u>32,256,634</u>	<u>32,469,903</u>

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 19,421,834) was registered in current liabilities and the remaining, amounting to Euro 69,138,672, 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 June 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	19,421,834	19,561,282	19,714,940	19,866,597	9,995,853	88,560,506

19. Other current financial liabilities

At 30 June 2009, this caption includes the amount of Euro 1,335,850 (Euro 979,699 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 June 2009 and 2008 had the following composition:

	2009	2008
Interconnection costs	100,440,216	133,680,459
Specialised works	32,292,447	33,872,733
Commissions	24,627,162	22,993,421
Rents	17,337,245	16,644,855
Leased lines	12,663,058	13,576,702
Advertising and promotion	14,943,940	29,412,351
Energy	4,702,020	4,315,242
Travelling costs	2,388,513	2,866,472
Other subcontracts	12,812,975	13,892,344
Maintenance and repairs	2,293,564	3,965,121
Communications	3,354,885	3,855,071
Fees	1,811,540	1,646,479
Others	9,996,574	10,518,951
	<u>239,664,139</u>	<u>291,240,201</u>

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

Minimum payments of operational leases	2009	2008
2008	-	5,399,513
2009	25,125,377	6,401,453
2010	42,175,342	4,831,944
2011	39,038,396	3,577,176
2012	34,244,219	1,264,047
2013	32,776,476	158,863
2014	27,345,059	904,842
2015	21,804,201	-
Renewable by periods of 1 year	<u>3,869,810</u>	<u>2,366,596</u>
	<u>226,378,880</u>	<u>24,904,435</u>

During the semester ended at 30 June 2009, an amount of Euro 26,786,814 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 semesters ended at 30 June 2009 and 2008 were made up as follows:

	2009	2008
Financial results related to associated companies		
Losses on associated companies	-	-
Gains on associated companies	-	9,456
	<u>-</u>	<u>9,456</u>
Other financial expenses:		
Interest expenses	(10,073,853)	(9,179,454)
Bank loans	(6,024,440)	(8,640,991)
Securitization interests	(2,883,449)	-
Sw ap interests	(488,408)	-
Leasing	(531,327)	(471,436)
Other interests	(146,229)	(67,027)
Foreign exchange losses	(53,475)	(200,316)
Other financial expenses	<u>(306,356)</u>	<u>(128,434)</u>
	<u>(10,433,684)</u>	<u>(9,508,203)</u>
Other financial income:		
Interest income	2,596,262	1,461,309
Foreign exchange gains	518,159	146,763
	<u>3,114,421</u>	<u>1,608,073</u>

During the semester ended at 30 June 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 semester ended at 30 June 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 semesters ended at 30 June 2009 and 2008 were made up as follows (costs)/gains:

	2009	2008
Current tax	(772,632)	(505,758)
Deferred tax assets (Note 11)	(2,668,886)	5,874,776
Deferred tax liabilities	(84,246)	(411,412)
	<u>(3,525,764)</u>	<u>4,957,606</u>

23. Related parties

During the semesters ended at 30 June 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 semesters ended at 30 June 2009 and 2008 were as follows:

Balances at 30 June 2009				
	Accounts receivable	Accounts payable	Treasury applications	Other assets/ (liabilities)
Sonae	68,349	70,575	-	(94,751)
Modelo Continente Hipermercados, S.A.	1,024,205	2,236,896	-	(202,352)
Worten	7,697,439	1,536,242	-	(470,367)
Sonae Investments BV	-	-	90,000,000	7,623
France Telecom	-	5,459,303	-	(8,155,491)
	<u>8,789,993</u>	<u>9,303,016</u>	<u>90,000,000</u>	<u>(8,915,338)</u>
Balances at 30 June 2008				
	Accounts receivable	Accounts payable	Treasury applications	Other assets/ (liabilities)
Sonae	120,823	107,097	-	(11,985)
Modelo Continente Hipermercados, S.A.	2,079,753	1,667,991	-	88,399
Worten	6,416,179	2,860,912	-	(845,013)
France Telecom	-	5,930,838	-	(11,072,859)
	<u>8,616,756</u>	<u>10,566,838</u>	<u>-</u>	<u>(11,841,457)</u>

Transactions at 30 June 2009				
	Sales and services rendered	Supplies and services received	Interest and similar income/ (expense)	Supplementary income
Sonae	150,672	1,073,824	(2,739)	(5,103)
Modelo Continente Hipermercados, S.A.	3,502,232	919,193	-	106,195
Worten	5,785,229	1,420,003	-	-
Sonae Investments BV	-	-	1,636,511	-
France Telecom	7,870,578	6,767,024	-	-
	<u>17,308,711</u>	<u>10,180,044</u>	<u>1,633,772</u>	<u>101,092</u>

Transactions at 30 June 2008				
	Sales and services rendered	Supplies and services received	Interest and similar income/ (expense)	Supplementary income
Sonae	189,340	69,977	-	11,280
Modelo Continente Hipermercados, S.A.	3,454,596	1,061,211	-	356,866
Worten	2,627,160	1,750,597	-	-
France Telecom	5,874,469	5,311,721	-	-
	<u>12,145,566</u>	<u>8,193,507</u>	<u>-</u>	<u>368,146</u>

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 June 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 June 2009 and 2008 were as follows:

Company	Beneficiary	Description	2009	2008
Sonaecom	BBVA – Portugal, ING Belgium Portugal and Millennium BCP	Commercial paper	320,000,000	320,000,000
Sonaecom - Serviços de Comunicações, Público and Sonaecom	Direcção de Contribuições e Impostos (Portuguese tax authorities)	VAT Reimbursements	33,943,883	6,944,107
Sonaecom - Serviços de Comunicações and 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 and Público	Direcção de Contribuições e Impostos (Portuguese tax authorities)	VAT - Impugnation process	598,000	598,000
Digitmarket, We Do and Saphety	IAPMEI (Institute for the Support of Small and Medium-sized Enterprises)	Guarantee the financial incentive reimbursement under the SIFIDE (System of Incentives to Research and Technological Development)	327,730	-
Sonaecom - Serviços de Comunicações and Tele2	Direcção Geral do Tesouro (Portuguese tax authorities)	IRC – Withholding tax on payments to non-residents	306,954	306,954
Sonaecom - Serviços de Comunicações	Governo Civil de Lisboa (Lisbon Civilian Government)	Guarantee the sweepstakes plan complete fulfilment	289,459	59,029
Sonaecom - Serviços de Comunicações	Câmara Municipal de Coimbra, Lisboa, Braga, Elvas, Caldas da Rainha, Mealhada, Faro, Barcelos and Odivelas (Coimbra, Lisboa, Braga, Elvas, Caldas da Rainha, Mealhada, Faro, Barcelos and Odivelas Municipalities)	Performance bond - works	288,595	287,494
Público	Tribunal de Trabalho de Lisboa (Lisbon Labour Court)	Execution action n. 199A/92	271,511	271,511
We Do	API (Portuguese Investment Agency)	Application to PRIME subsidies	184,004	184,004
Sonaecom - Serviços de Comunicações and Digitmarket	Hewlett Packard	Finance lease and services provider contracts	159,859	159,859
Sonaecom - Serviços de Comunicações	Governo Civil de Santarém (Santarém Civilian Government)	Guarantee the fulfilment of legal obligations	119,703	119,703
Público	Fazenda Pública do Porto (Oporto Public Treasury)	Tax process n. 3190/98	-	209,493
Several	Others		1,527,412	1,052,869
			<u>360,555,802</u>	<u>331,843,025</u>

At 30 June 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 semesters ended at 30 June 2009 and 2008:

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

During the semester ended at 30 June 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 semesters ended at 30 June 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 June 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:

	Telecommunications		Multimedia		Information Systems		Holding Activities		Other		Sub-total		Eliminations		Total	
	June-2009	June-2008	June-2009	June-2008	June-2009	June-2008	June-2009	June-2008	June-2009	June-2008	June-2009	June-2008	June-2009	June-2008	June-2009	June-2008
Revenues:																
Sales and services rendered	397,441,769	423,507,229	15,172,549	17,229,997	82,133,377	54,473,215	3,582,626	3,564,636	110,400	424,542	498,440,721	499,199,619	(16,860,598)	(23,621,119)	481,580,123	475,578,500
Other operating revenues	3,478,039	5,045,023	102,156	101,489	319,207	1615,948	-	20,138	-	5,166	3,899,402	6,787,764	(1573,969)	(2,452,631)	2,325,433	4,335,133
Total revenues	400,919,808	428,552,252	15,274,705	17,331,486	82,452,584	56,089,163	3,582,626	3,584,774	110,400	429,708	502,340,123	505,987,383	(16,434,567)	(26,073,750)	483,905,556	479,913,633
Depreciation and amortisation	(78,106,228)	(77,205,620)	(751,903)	(365,421)	(912,603)	(980,249)	(65,576)	(46,878)	(14,403)	(21,301)	(79,850,713)	(78,619,469)	795,380	800,695	(79,055,333)	(77,818,774)
Net operating income/(loss) for the segment	12,370,702	(11,029,462)	(2,424,041)	(1,891,266)	2,967,147	2,668,621	(950,834)	(494,150)	87,301	228,774	12,050,275	(10,517,483)	386,574	1,385,553	12,436,849	(9,131,930)
Net interests	(5,236,272)	(8,421,046)	(56,406)	(69,778)	(50,704)	(111,939)	(2,116,494)	912,953	(17,712)	(28,335)	(7,477,588)	(7,718,145)	(3)	-	(7,477,591)	(7,718,145)
Gains and losses in associated companies	-	-	-	-	-	-	-	-	-	-	-	-	-	9,456	-	9,456
Other financial results	(223,761)	(30,619)	(8,309)	8,092	438,808	(133,056)	(4,448,369)	35,413,682	(40)	(81)	(4,241,671)	35,258,018	4,399,999	(35,440,004)	158,328	(181,966)
Income taxation	(2,508,267)	4,589,684	(220,529)	(17,418)	(1,733,824)	422,830	651,753	(6,343)	(18,376)	296,694	(3,829,243)	5,285,447	303,479	(327,841)	(3,525,764)	4,957,606
Consolidated net income/(loss) for the period	4,402,402	(14,891,443)	(2,709,285)	(1,970,370)	1,621,427	2,846,456	(6,863,944)	35,826,142	51,173	497,052	(3,498,227)	22,307,837	5,090,049	(34,372,836)	1,591,822	(12,064,999)
Attributable to:																
Shareholders of Parent Company	4,402,402	(14,891,443)	(2,709,285)	(1,970,370)	1,457,052	2,687,010	(6,863,944)	35,826,142	51,173	497,052	(3,662,602)	22,148,391	5,082,373	(34,375,983)	1,419,771	(12,227,592)
Minority interests	-	-	-	-	164,375	159,446	-	-	-	-	164,375	159,446	7,676	3,147	172,051	162,593
Assets:																
Fixed assets and Goodwill	829,681,260	810,439,065	6,314,653	2,420,460	62,707,453	62,290,049	608,726	240,883	1,589,108	1,636,813	900,901,200	877,027,270	457,028,927	457,411,157	1,357,930,127	1,334,438,427
Inventories	19,652,665	24,976,434	630,431	699,626	838,968	1,908,560	-	-	-	-	21,122,064	27,584,620	-	-	21,122,064	27,584,620
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	-	-	1,076,930,079	1,095,473,264	(1,075,722,759)	(1,093,508,873)	1,207,320	1,964,391
Other non current assets	122,221,656	105,749,668	33,564	-	582,041	2,455,799	488,490,611	411,762,572	(17,387)	300,000	611,310,485	520,268,039	(488,844,188)	(413,281,750)	122,466,297	106,986,289
Other current assets of the segment	398,094,289	294,585,983	9,967,462	9,134,654	46,535,947	39,682,718	114,232,257	715,16,734	80,165	836,684	568,910,120	415,756,773	(114,388,177)	(91,221,446)	454,521,943	324,535,327
	1,370,931,895	1,237,033,175	17,382,619	13,352,435	111,571,903	107,244,620	1,677,635,645	1,575,706,239	1,651,886	2,773,497	3,179,173,948	2,936,109,966	(1,221,926,197)	(1,140,600,912)	1,957,247,751	1,795,509,052
Liabilities:																
Liabilities of the segment	909,358,195	911,958,031	19,534,231	16,123,376	56,258,664	48,592,121	500,180,855	372,840,478	1,450,831	1,737,102	1,486,782,776	1,351,251,108	(460,335,231)	(477,356,594)	1,026,447,545	873,894,514
	909,358,195	911,958,031	19,534,231	16,123,376	56,258,664	48,592,121	500,180,855	372,840,478	1,450,831	1,737,102	1,486,782,776	1,351,251,108	(460,335,231)	(477,356,594)	1,026,447,545	873,894,514
CAPEX	52,101,283	163,572,738	333,552	700,302	1,443,313	(2,006,922)	107,261	3,491,942	-	713	53,985,409	165,758,773	(799,109)	(4,161,003)	53,186,300	161,597,770

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 and Internet		Eliminations		Telecommunications	
	June 2009	June 2008	June 2009	June 2008	June 2009	June 2008	June 2009	June 2008
Income:								
Services rendered	298,827,730	303,085,799	124,291,831	147,586,498	(25,677,792)	(27,165,068)	397,441,769	423,507,229
Other operating revenues	17,436,258	22,651,728	451,857	404,293	(14,410,076)	(18,010,998)	3,478,039	5,045,023
Total revenues	316,263,988	325,737,527	124,743,688	147,990,791	(40,087,868)	(45,176,066)	400,919,808	428,552,252
Depreciation and amortisation	(58,252,933)	(61,202,368)	(19,826,976)	(16,003,252)	(26,319)	-	(78,106,228)	(77,205,620)
Operational results of the segments	30,640,705	930,598	(18,153,384)	(11,992,247)	(116,619)	32,186	12,370,702	(11,029,462)
Assets								
Tangible assets and Goodwill	652,374,055	637,865,121	177,307,205	172,573,944	-	-	829,681,260	810,439,065
Inventories	14,479,898	21,176,123	5,172,767	3,800,311	-	-	19,652,665	24,976,434
Financial investments	1,282,025	1,282,025	-	-	-	-	1,282,025	1,282,025
CAPEX	31,758,083	146,351,497	20,343,200	17,221,241	-	-	52,101,283	163,572,738

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

	2009				
	Telecommunications	Multimedia	Information Systems	Holding activities	Others
Telecommunications	-	85,663	11,770,737	3,412,486	110,400
Multimedia	599,912	-	133,113	68,930	-
Information Systems	469,079	45,136	-	104,032	-
Holding activities	31,801	1,800	31,541	-	-
Sonaecom others	704	-	-	740	-
Others	396,340,273	15,039,950	70,197,986	1,914	-
	397,441,769	15,172,549	82,133,377	3,582,626	110,400

	2008				
	Telecommunications	Multimedia	Information Systems	Holding activities	Others
Telecommunications	-	-	18,382,918	3,407,319	110,400
Multimedia	1,001,276	-	112,045	82,587	27,107
Information Systems	340,468	17,046	-	68,912	-
Holding activities	23,819	-	33,532	-	-
Sonaecom others	9,535	-	4,155	-	-
Others	422,132,131	17,212,951	35,940,565	5,818	287,035
	423,507,229	17,229,997	54,473,215	3,564,636	424,542

26. Earnings per share

Earnings per share, basic and diluted, are calculated by dividing the consolidated net income attributable to the Group (Euro 1,419,771 in 2009 and minus Euro 12,227,592 in 2008) by the average number of shares outstanding during the periods ended at 30 June 2009 and 2008, net of own shares (Euro 360,070,542 in 2009 and Euro 364,866,391 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 June 2009 can be summarised as follows:

	Share price at award date *	Vesting period		30-Jun-09	
		Award date	Vesting date	Aggregate	Number of
				number of participations	options/ shares
Sonaecom shares					
2006 Plan	4.697	09-Mar-07	08-Mar-10	386	971,753
2007 Plan	2.447	10-Mar-08	09-Mar-11	398	1,820,373
2008 Plan	1.117	10-Mar-09	09-Mar-12	414	3,832,285
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 semester ended at 30 June 2009, the movements that occurred in the plans can be summarised as follows:

	Sonaecom 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 semester				
Awarded	415	3,896,332	7	541,655
Vested	(356)	(836,716)	(12)	(147,924)
Cancelled/Elapsed/ Transferred/Corrected *	(7)	(144,326)	(3)	(79,893)
Outstanding at 30.06.2009				
Exercisable	-	-	-	-
Unvested	1,198	6,624,411	17	877,654
Total	1,198	6,624,411	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.

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

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

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 1,912,571 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 semester ended at 30 June 2009, were as follows:

	Amount
Costs recognised in previous years	21,246,968
Costs recognised in the period	1,066,564
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	2,268,920
Recorded in Other current liabilities	195,230
Recorded in Other non current liabilities	161,119
Recorded in Reserves	1,912,571

28. Other matters

(i) At 30 June 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 semester ended at 30 June 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 July 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 June 2009, the related parties of Sonaecom Group are as follows:

Key management personnel	
Álvaro Carmona e Costa Portela	Jean François Pontal
Álvaro Cuervo Garcia	Luís Filipe Campos Dias Castro Reis
Ângelo Gabriel Ribeirinho dos Santos Paupério	Luís Filipe Palmeira Lampreia
António Bernardo Aranha da Gama Lobo Xavier	Maria Cláudia Teixeira de Azevedo
António de Sampaio e Mello	Michel Marie Bon
Belmiro de Azevedo	Miguel Nuno Santos Almeida
David Hobley	Nuno Manuel Moniz Trigosso Jordão
Duarte Paulo Teixeira de Azevedo	Nuno Miguel Teixeira Azevedo
Franck Emmanuel Dangeard	Pedro Miguel Freitas Ramalho Carlos
Gervais Pellissier	

Sonae/Efanor Group Companies	
3DO Holding GmbH	Best Offer-Prest. Inf. p/Internet,S.A.
3DO Shopping Centre GmbH	Bikini, Portal de Mulheres,S.A.
3shoppings - Holding,SGPS, S.A.	Bloco Q-Sociedade Imobiliária,S.A.
Aegean Park,S.A.	Bloco W-Sociedade Imobiliária,S.A.
Agepan Eiweiler Management GmbH	Boavista Shopping Centre BV
Agepan Flooring Products, S.A.RL	BOM MOMENTO - Comércio Retalhista, SA
Agepan Tarket Laminate Park GmbH Co. KG	Boulangier España, SL
Aglom Investimentos, Sgps, S.A.	Box Lines Navegação,S.A.
Aglom-Soc.Ind.Madeiras e Aglom.,S.A.	Campo Limpo, Lda
Águas Furtadas - Imobiliária, S.A.	Canasta-Empreendimentos Imobiliários,S.A.
Airone - Shopping Center, Srl	Carnes do Continente-Ind.Distr.Carnes,S.A.
ALEXA Administration GmbH	CarPlus – Comércio de Automóveis, S.A.
ALEXA Holding GmbH	Casa Agrícola de Ambrães, S.A.
ALEXA Shopping Centre GmbH	Casa Agrícola João e A. Pombo, S.A.
Alexa Site GmbH & Co. KG	Casa da Ribeira - Hotelaria e Turismo,S.A.
Algarveshopping- Centro Comercial, S.A.	Cascaishopping- Centro Comercial, S.A.
Andar - Sociedade Imobiliária, S.A.	Cascaishopping Holding I, SGPS, S.A.
Aqualuz - Turismo e Lazer, Lda	Centro Colombo- Centro Comercial, S.A.
Aquapraia - Investimentos Turísticos,S.A.	Centro Residencial da Maia,Urbán.,S.A.
Arat inmebles, S.A.	Centro Vasco da Gama-Centro Comercial,S.A.
Arrábidashopping- Centro Comercial, S.A.	Change, SGPS, S.A.
Aserraderos de Cuellar,S.A.	Chão Verde-Soc.Gestora Imobiliária,S.A.
Atlantic Ferries-Tráf.Loc,Flu.e Marít,S.A.	Choice Car - Comércio de Automóveis, S.A.
Avenida M-40 B.V.	Choice Car SGPS, S.A.
Avenida M-40,S.A.	Cia.de Industrias e Negócios,S.A.
Azulino Imobiliária, S.A.	Cinclus Imobiliária,S.A.
BB Food Service, SA	Citorres-Sociedade Imobiliária,S.A.
Beeskow Holzwerkstoffe	Clérigoshopping- Gestão do C.Comerc.,S.A.
Bertimóvel - Sociedade Imobiliária, S.A.	Coimbrashopping- Centro Comercial, S.A.

Colombo Towers Holding, BV	Gaiashopping I- Centro Comercial, S.A.
Contacto Concessões, SGPS, S.A.	Gaiashopping II- Centro Comercial, S.A.
Contibomba-Comérc.Distr.Combustíveis,S.A.	Geotur- Viagens e Turismo, S.A.
Contimobe-Imobil.Castelo Paiva,S.A.	GHP Gmbh
Continente Hipermercados, S.A.	Gli Orsi Shopping Centre 1 Srl
Contry Club da Maia-Imobiliária,S.A.	Global S-Hipermercado,Lda
Craiova Mall BV	Glunz AG
Cronosaúde - Gestão Hospitalar, S.A.	Glunz Service GmbH
Cumulativa - Sociedade Imobiliária, S.A.	Glunz UK Holdings Ltd
Darbo S.A.S	Glunz Uka Gmbh
Developpement & Partenariat Assurances, S.A.	Golf Time-Golfe e Invest. Turísticos, S.A.
Difusão-Sociedade Imobiliária,S.A.	GOOD AND CHEAP - Comércio Retalhista, SA
Distrifin-Comercio y Prest.Servicios,S.A.	Guerin – Rent a Car (Dois), Lda.
DMJB, SGPS, S.A.	Guimarãesshopping- Centro Comercial, S.A.
Dortmund Tower GmbH	HIPOTÉTICA - Comércio Retalhista, SA
Dos Mares - Shopping Centre B.V.	Hornitex Polska Sp z o.o
Dos Mares-Shopping Centre, S.A.	Iberian Assets, S.A.
Ecociclo - Energia e Ambiente, S.A.	IGI-Investimento Imobiliário,S.A.
Ecociclo II - Energias, S.A.	Igimo-Sociedade Imobiliária,S.A.
Edições Book.it, S.A.	Iginha-Sociedade Imobiliária,S.A.
Edifícios Saudáveis Consultores, S.A.	Imoarea - Invest. Turísticos, SGPS, S.A.
Efanor Investimentos, SGPS, S.A.	Imobiliária da Cacela, S.A.
Efanor Serviços de Apoio à Gestão, S.A.	Imoclub-Serviços Imobiliários,S.A.
Efanor-Design e Serviços,S.A.	Imoconti- Soc.Imobiliária,S.A.
Efanor-Indústria de Fios,S.A.	Imodivor - Sociedade Imobiliária, S.A.
El Rosal Shopping, S.A.	Imoestrutura-Soc.Imobiliária,S.A.
Empreend.Imob.Quinta da Azenha,S.A.	Imoferro-Soc.Imobiliária,S.A.
Equador & Mendes,Lda	Imohotel-Emp.Turist.Imobiliários,S.A.
Espimaia -Sociedade Imobiliária,S.A.	Imomuro-Sociedade Imobiliária,S.A.
Estação Oriente-Gest.de Galerias Com.,S.A.	Imopenínsula - Sociedade Imobiliária, S.A.
Estação Viana- Centro Comercial, S.A.	Imoplamac Gestão de Imóveis,S.A.
Estêvão Neves-Hipermercados Madeira,S.A.	Imoponte-Soc.Imobiliária,S.A.
Etablissement A. Mathe, S.A.	Imoresort - Sociedade Imobiliária, S.A.
Euromegantic,Lteé	Imoresultado-Soc.Imobiliária,S.A.
Euroresinas-Indústrias Químicas,S.A.	Imosedas-Imobiliária e Seviços,S.A.
Farmácia Seleção, SA	Imosistema-Sociedade Imobiliária,S.A.
Finlog - Aluguer e Comércio de Automóveis, S.A.	Imosonae II
Fozimo-Sociedade Imobiliária,S.A.	Impaper Europe GmbH & Co. KG
Fozmassimo - Sociedade Imobiliária, S.A.	Implantação - Imobiliária, S.A.
Freccia Rossa- Shopping Centre S.r.l.	Infocfield-Informática,S.A.
Friengineering International Ltda	Inparsa - Gestão Galeria Comercial, S.A.
Fundo de Invest. Imobiliário Imosede	Inparvi SGPS, S.A.
Fundo Invest.Imob.Shopp. Parque D.Pedro	Insulatroia - Sociedade Imobiliária, S.A.

Integrum-Edifícios Sustentáveis,SA	Modelo Cont. Seguros-Soc. De Mediação, Lda
Integrum-Serviços Partilhados,S.A.	Modelo Continente - Oper.Retalho SGPS,S.A.
Interclean, S.A.	Modelo Continente Hipermarcados,S.A.
Interlog-SGPS,S.A.	Modelo Continente, SGPS,S.A.
Inventory-Acessórios de Casa,S.A.	Modelo Hiper Imobiliária,S.A.
Investalentejo, SGPS, S.A.	Modelo Hipermarcados Trading, S.A.
Invsau de - Gestão Hospitalar, S.A.	Modelo.com-Vendas p/Correspond.,S.A.
Ipaper-Industria Papeis Impregnados,S.A.	Monselice Centre Srl
ISF - Imobiliário, Serviços e Participaç	Movelpartes-Comp.para Ind.Mobiliária,S.A.
Isoroy SAS	Movimento Viagens-Viag. e Turismo U.Lda
JUST SPORT - Comércio Art. Desporto, SA	Mundo Vip - Operadores Turísticos, S.A.
KLC Holdings XII SA	NAB, Sociedade Imobiliária,S.A.
La Farga - Shopping Center, SL	NA-Comércio de Artigos de Desporto, S.A.
Larissa Develop. Of Shopping Centers, S.A.	NA-Equipamentos para o Lar, S.A.
Lazam Corretora, Ltda.	Norscut - Concessionária de Scut Interior Norte, S.A.
Le Terrazze - Shopping Centre S.r.l.	Norte Shop. Retail and Leisure Centre BV
Lembo Services Ltd (Euro)	Norteshopping-Centro Comercial, S.A.
Libra Serviços, Lda.	Nova Equador Internacional,Ag.Viag.T,Ld
Lidergraf - Artes Gráficas, Lda.	Nova Equador P.C.O. e Eventos
Lima Retail Park, S.A.	Novobord (PTY) Ltd.
Loureshopping- Centro Comercial, S.A.	Oeste Retail Park - Gestão G.Comerc., S.A.
Luso Assistência - Gestão de Acidentes, S.A.	Operscut - Operação e Manutenção de Auto-estradas, S.A.
Luz del Tajo - Centro Comercial S.A.	OSB Deutschland GmbH
Luz del Tajo B.V.	Paracentro - Gest.de Galerias Com., S.A.
Madeirashopping- Centro Comercial, S.A.	Pareuro, BV
Maiashopping- Centro Comercial, S.A.	Pargeste SGPS, S.A.
Maiequipa-Gestão Florestal,S.A.	Park Avenue Develop. of Shop. Centers S.A.
Marcas do Mundo-Viag. e Turismo Unip,Lda	Parque Atlântico Shopping - C.C., S.A.
Marcas MC, ZRT	Parque D. Pedro 1 B.V.
Marimo -Exploração Hoteleira Imobiliária	Parque D. Pedro 2 B.V.
Marina de Tróia S.A.	Parque de Famalicão - Empr. Imob., S.A.
Marinamagic-Expl.Cent.Lúdicos Marít,Lda	Parque Principado SL
Marmagno-Expl.Hoteleira Imob.,S.A.	Partnergiro - Empreend. Turísticos, Lda
Martimope - Sociedade Imobiliária, S.A.	Pátio Boavista Shopping Ltda.
Marvero-Expl.Hoteleira Imob.,S.A.	Pátio Campinas Shopping Ltda
MC Property Management S.A.	Pátio Goiânia Shopping Ltda
MDS Corretor de Seguros, S.A.	Pátio Londrina Empreend. e Particip. Ltda
Mediterranean Cosmos Shop. Centre Investments, S.A.	Pátio Londrina Empreend.e Particip.Ltda
Megantic BV	Pátio Penha Shopping Ltda.
MJLF-Empreendimentos Imobiliários, S.A.	Pátio São Bernardo Shopping Ltda
Modalfa-Comércio e Serviços,S.A.	Pátio Sertório Shopping Ltda
MODALLOOP - Vestuário e Calçado, SA	Peixes do Continente-Ind.Dist.Peixes,S.A.
Modelo - Dist.de Mat. de Construção,S.A.	

PHARMACONTINENTE - Saúde e Higiene, S.A.	Project Sierra 10 BV
PJP - Equipamento de Refrigeração, Lda	Project Sierra 2 B.V.
Plaza Eboli B.V.	Project Sierra 3 BV
Plaza Eboli - Centro Comercial S.A.	Project Sierra 4 BV
Plaza Mayor Holding, SGPS, S.A.	Project Sierra 5 BV
Plaza Mayor Parque de Ócio B.V.	Project Sierra 6 BV
Plaza Mayor Parque de Ocio,S.A.	Project Sierra 7 BV
Plaza Mayor Shopping B.V.	Project Sierra 8 BV
Plaza Mayor Shopping, S.A.	Project Sierra 9 BV
Ploi Mall BV	Project Sierra Brazil 1 B.V.
Ploiesti Shopping Center (Euro)	Project Sierra Charagonis 1 S.A.
Poliface Brasil, Ltda	Project Sierra Germany Shop. Center 1 BV
Poliface North America	Project Sierra Germany Shop. Center 2 BV
Porturbe-Edifícios e Urbanizações,S.A.	Project Sierra Italy 5 Srl
Praedium II-Imobiliária,S.A.	Project Sierra One Srl
Praedium III-Serviços Imobiliários,S.A.	Project Sierra Spain 1 B.V.
Praedium SGPS, S.A.	Project Sierra Spain 2 B.V.
Predicomercial-Promoção Imobiliária,S.A.	Project Sierra Spain 2-Centro Comer. S.A.
Prédios Privados Imobiliária,S.A.	Project Sierra Spain 3 B.V.
Predisedas-Predial das Sedas,S.A.	Project Sierra Spain 3-Centro Comer. S.A.
Pridelease Investments, Ltd	Project Sierra Spain 5 BV
Proj. Sierra Germany 1 - Shop.C. GmbH	Project Sierra Spain 6 B.V.
Proj. Sierra Germany 4 (four)-Sh.C.GmbH	Project Sierra Spain 6-Centro Comer. SA
Proj. Sierra Italy 2 - Dev.of Sh.C. Srl	Project Sierra Spain 7 B.V.
Proj.Sierra 1 - Shopping Centre GmbH	Project Sierra Spain 7-Centro Comer. SA
Proj.Sierra Germany 2 (two)-Sh.C.GmbH	Project Sierra Three Srl
Proj.Sierra Germany 3 (three)-Sh.C.GmbH	Project Sierra Two Srl
Proj.Sierra Hold. Portugal V, SGPS,S.A.	Promessa Sociedade Imobiliária, S.A.
Proj.Sierra Italy 1 -Shop.Centre Srl	Prosa-Produtos e serviços agrícolas,S.A.
Proj.Sierra Italy 2 -Dev. Of Sh.C.Srl	Publimeios-Soc.Gestora Part. Finan.,S.A.
Proj.Sierra Italy 3 - Shop. Centre Srl	Puravida - Viagens e Turismo, SA
Proj.Sierra Portugal I- C.Comerc., S.A.	Racionaliz. y Manufact.Florestales,S.A.
Proj.Sierra Portugal II-C.Comerc.,S.A.	RASO, SGPS, SA
Proj.Sierra Portugal III-C.Comerc.,S.A.	Resoflex-Mob.e Equipamentos Gestão,S.A.
Proj.Sierra Portugal IV-C.Comerc.,S.A.	Resolução, SGPS, S.A.
Proj.Sierra Portugal V-C.Comercial,S.A.	Rio Sul - Centro Comercial, S.A.
Proj.Sierra Portugal VI-C.Comercial,S.A.	River Plaza Mall, Srl
Proj.Sierra Portugal VII - C. Comerc.,S.A.	Rochester Real Estate,Limited
Proj.Sierra Portugal VIII - C.Comerc.,S.A.	S. C. Setler Mina Srl
Project 4, Srl	S.C. Microcom Doi Srl
Project SC 1 BV	Saúde Atlântica - Gestão Hospitalar, S.A.
Project SC 2 BV	SC Aegean B.V.
Project Sierra 1 B.V.	SC Insurance Risks Services, SGPS, S.A.

SC Mediterraneum Cosmos B.V.	Sierra Italy Holding B.V.
SC-Consultadoria,S.A.	Sierra Man.New Tech.Bus.-Serv.Comu.CC,S.A.
SC-Eng. e promoção imobiliária,SGPS,S.A.	Sierra Management Germany GmbH
SCS Beheer,BV	Sierra Management Hellas SA
Selfrio,SGPS,S.A.	Sierra Management II-Gestão de C.C. S.A.
Selfrio-Engenharia do Frio,S.A.	Sierra Management Italy S.r.l.
Selifa-Empreendimentos Imobiliários,S.A.	Sierra Management Portugal-Gest. CC,S.A.
Sempre à Mão - Sociedade Imobiliária,S.A.	Sierra Management Spain-Gestión C.Com.S.A.
Sempre a Postos - Produtos Alimentares e Utilidades , Lda	Sierra Management, SGPS, S.A.
Serra Shopping - Centro Comercial, S.A.	Sierra Portugal Fund, Sarl
Sesagest-Proj.Gestão Imobiliária,S.A.	Sierra Property Management, Srl
Sete e Meio - Invest. Consultadoria, S.A.	SII - Soberana Invest. Imobiliários, S.A.
Sete e Meio Herdades-Inv. Agr. e Tur.,S.A.	Sistavac-Sist.Aquecimento,V.Ar C.,S.A.
Shopping Centre Colombo Holding, BV	SKK-Central de Distr.,S.A.
Shopping Centre Parque Principado B.V.	SKKFOR - Ser. For. e Desen. de Recursos
Shopping Penha B.V.	SMP-Serv. de Manutenção Planeamento
Siaf-Soc.Iniciat.Aprov.Florestais,S.A.	Soc.Inic.Aproveit.Florest.-Energias,S.A.
SIAL Participações Ltda	Sociedade de Construções do Chile, S.A.
Sic Indoor - Gestão de Suportes Publicitários, S.A.	Sociedade Imobiliária Troia - B3, S.A.
Sierra Asset Management Luxemburg, Sarl	Société de Tranchage Isoroy S.A.S.
Sierra Asset Management-Gest. Activos,S.A.	Société des Essences Fines Isoroy
Sierra Brazil 1 B.V.	Société Industrielle et Financière Isoroy
Sierra Charagionis Develop.Sh. Centre S.A.	Socijofra-Sociedade Imobiliária,S.A.
Sierra Charagionis Propert.Management S.A.	Sociloures-Soc.Imobiliária,S.A.
Sierra Corporate Services- Ap.Gestão, S.A.	Soconstrução BV
Sierra Corporate Services Holland, BV	Sodesa, S.A.
Sierra Develop.Iberia 1, Prom.Imob.,S.A.	Soflorin,BV
Sierra Development Greece, S.A.	Soira-Soc.Imobiliária de Ramalde,S.A.
Sierra Developments Germany GmbH	Sol Retail Park - Gestão G.Comerc., S.A.
Sierra Developments Germany Holding B.V.	Solaris Supermercados, S.A.
Sierra Developments Holding B.V.	Solinca III-Desporto e S.A.úde,S.A.
Sierra Developments Italy S.r.l.	Solinca-Investimentos Turísticos,S.A.
Sierra Developments Services Srl	Solinfitness - Club Malaga, S.L.
Sierra Developments Spain-Prom.C.Com.SL	Soltroia-Imob.de Urb.Turismo de Tróia,S.A.
Sierra Developments, SGPS, S.A.	Somit Imobiliária,S.A.
Sierra Developments-Serv. Prom.Imob., S.A.	Sonae Capital Brasil, Lda
Sierra Enplanta Ltda	Sonae Capital,SGPS,S.A.
Sierra European R.R.E. Assets Hold. B.V.	Sonae Center Serviçoss, SA
Sierra GP Limited	Sonae Financial Participations BV
Sierra Investimentos Brasil Ltda	Sonae Ind., Prod. e Com.Deriv.Madeira,S.A.
Sierra Investments (Holland) 1 B.V.	Sonae Indústria Brasil, Ltda
Sierra Investments (Holland) 2 B.V.	Sonae Industria de Revestimentos,S.A.
Sierra Investments Holding B.V.	Sonae Indústria-SGPS,S.A.
Sierra Investments SGPS, S.A.	Sonae International, Ltd
	Sonae Investments,BV

Sonae Novobord (PTY) Ltd	Tafisa-Tableros de Fibras, S.A.
Sonae RE, S.A.	Taiber, Tableros Aglomerados Ibéricos, SL
Sonae Retalho Espana-Servicios Gen., S.A.	Tarkett Agepan Laminate Flooring SCS
Sonae Serviços de Gestão, S.A.	Tavapan, S.A.
Sonae SGPS, S.A.	Tecmasa Reciclados de Andalucia, SL
Sonae Sierra Brasil Ltda	Teconologias del Medio Ambiente, S.A.
Sonae Sierra Brazil B.V.	Textil do Marco, S.A.
Sonae Sierra, SGPS, S.A.	Tlantic Portugal-Sist. de Informação, SA
Sonae Tafibra (UK), Ltd	Tlantic Sistemas de Informação Ltdª
Sonae Tafibra Benelux, BV	Todos os Dias-Com.Ret.Expl.C.Comer., S.A.
Sonae Turismo Gestão e Serviços, S.A.	Tool GmbH
Sonae Turismo-SGPS, S.A.	Torre Colombo Ocidente-Imobiliária, S.A.
Sonae UK, Ltd.	Torre Colombo Oriente-Imobiliária, S.A.
Sonaecenter Serviços, SA	Torre São Gabriel-Imobiliária, S.A.
Sonaegest-Soc.Gest.Fundos Investimentos	TP - Sociedade Térmica, S.A.
Sondis Imobiliária, S.A.	Troia Market, SA
Sontaria-Empreend.Imobiliários, S.A.	Troia Market-Supermercados, S.A.
Sontel Bv	Tróia Natura, S.A.
Sontur BV	Troiaresort-Investimentos Turísticos, S.A.
Sonvecap BV	Troiaverde-Expl.Hoteleira Imob., S.A.
Sopair, S.A.	Tulipamar-Expl.Hoteleira Imob., S.A.
Sótaqua - Soc. de Empreendimentos Turist	Unishopping Administradora Ltda.
Spanboard Products, Ltd	Unishopping Consultoria Imob. Ltda.
Spinarq, S.A.	Urbisedas-Imobiliária das Sedas, S.A.
Spinveste - Promoção Imobiliária, S.A.	Valecenter Srl
Spinveste-Gestão Imobiliária SGII, S.A.	Valor N, S.A.
Sport Zone-Comércio Art.Desporto, S.A.	Vastgoed One - Sociedade Imobiliária, S.A.
SRP Development, SA	Vastgoed Sun - Sociedade Imobiliária, S.A.
SRP-Parque Comercial de Setúbal, S.A.	Venda Aluga-Sociedade Imobiliária, S.A.
Star-Viagens e Turismo, S.A.	Via Catarina- Centro Comercial, S.A.
Tableros Tradema, S.L.	Viajens y Turismo de Geotur España, S.L.
Tafiber, Tableros de Fibras Ibéricas, SL	Vuelta Omega, S.L.
Tafibras Participações, S.A.	WELL W - Electrodomésticos e Equip., SA
Tafisa Brasil, S.A.	World Trade Center Porto, S.A.
Tafisa Canadá Societé en Commandite	Worten España, S.A.
Tafisa France, S.A.	Worten-Equipamento para o Lar, S.A.
Tafisa UK, Ltd	Zubiarte Inversiones Inmob, S.A.

FT Group Companies	
France Telecom, S.A.	Atlas Services Belgium, SA.

12.3. Sonaecom individual financial statements

SONAECON, S.G.P.S., S.A.

BALANCE SHEETS FOR THE SEMESTERS ENDED AT 30 JUNE 2009 AND 2008 AND

FOR THE YEAR ENDED AT 31 DECEMBER 2008

(Amounts expressed in Euro)

ASSETS	Notes	June 2009	June 2008	December 2008
NON CURRENT ASSETS:				
Tangible assets	1.a), 1.e) and 2	567,812	181,319	582,567
Intangible assets	1.b) and 3	40,914	59,563	49,674
Investments in group companies	1.c) and 5	899,555,905	898,096,556	898,096,556
Other non current assets	1.c), 1.J), 1.m), 4 and 6	638,212,223	561,911,005	521,631,372
Deferred tax assets	1.k) and 7	670,529	-	-
Total non current assets		1,539,047,383	1,460,248,443	1,420,360,169
CURRENT ASSETS:				
Other current debtors	1.d), 1.f), 4 and 8	86,873,209	7,628,863	90,091,502
Other current assets	1.J) and 1.m)	5,621,868	5,369,839	3,178,023
Cash and cash equivalents	1.g), 4 and 9	12,824,302	58,659,323	50,098,913
Total current assets		105,319,379	71,658,025	143,368,438
Total assets		1,644,366,762	1,531,906,468	1,563,728,607
SHAREHOLDERS' FUNDS AND LIABILITIES				
SHAREHOLDERS' FUNDS:				
Share capital	10	366,246,868	366,246,868	366,246,868
Own shares	1.o) and 11	(11,703,596)	(6,036,026)	(13,499,750)
Reserves	1.n)	795,637,403	777,052,395	775,693,142
Consolidated net income/(loss) for the period		(6,007,066)	21,366,009	19,657,889
		1,144,173,609	1,158,629,246	1,148,098,149
LIABILITIES:				
NON CURRENT LIABILITIES:				
Medium and long-term loans - net of short-term portion	1.h), 4 and 12.a)	411,128,478	355,534,915	381,509,261
Provisions for other liabilities and charges	1.j) and 13	514,634	26,206	57,265
Other non current liabilities	1.J), 1.m) and 1.r)	168,726	266,125	326,483
Total non current liabilities		411,811,838	355,827,246	381,893,009
CURRENT LIABILITIES:				
Short-term loans and other loans	1.h), 4, and 12.b)	86,045,928	14,465,000	30,784,090
Other creditors	4	944,301	922,181	1,043,250
Other current liabilities	1.J), 1.m) and 1.r)	1,391,086	2,062,795	1,910,109
Total current liabilities		88,381,315	17,449,976	33,737,449
Total shareholders' funds and liabilities		1,644,366,762	1,531,906,468	1,563,728,607

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

The Chief Accountant

Patrícia Maria Cruz Ribeiro da Silva

The Board of Directors

Duarte Paulo Teixeira de Azevedo

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SONAECON, S.G.P.S., S.A.
 PROFIT AND LOSS ACCOUNT BY NATURE
 FOR THE QUARTERS AND THE SEMESTERS ENDED AT 30 JUNE 2009 AND 2008 AND
 FOR THE YEAR ENDED AT 31 DECEMBER 2008

(Amounts expressed in Euro)

Notes	June 2009	April to June 2009 (Not audited)	June 2008	April to June 2008 (Not audited)	December 2008
Services rendered	3,599,909	1,771,529	3,570,351	1,918,744	7,031,999
Other operating revenues	(5,518)	-	20,138	1,300	38,852
	<u>3,594,391</u>	<u>1,771,529</u>	<u>3,590,489</u>	<u>1,920,044</u>	<u>7,070,851</u>
External supplies and services	14	(1,598,719)	(886,011)	(1,562,232)	(3,588,815)
Staff expenses		(2,325,942)	(1,129,266)	(2,363,018)	(4,392,499)
Depreciation and amortisation	1.a), 1.b), 1.q), 2 and 3	(65,576)	(32,448)	(46,878)	(115,562)
Provisions and impairment losses	1.j), 1.q) and 13	(450,014)	(14)	(2,653)	(3,701)
Other operating costs		(44,840)	(36,486)	(30,787)	(104,222)
	<u>(4,485,091)</u>	<u>(2,084,225)</u>	<u>(4,005,568)</u>	<u>(1,911,486)</u>	<u>(8,204,799)</u>
Gains and losses on group companies	15	(4,020,000)	(7,500,000)	16,841,093	11,141,093
Other financial expenses	1.c), 1.h), 1.q) and 15	(7,319,246)	(3,122,546)	(9,318,913)	(20,616,916)
Other financial income	15	5,573,771	2,263,253	14,265,251	30,387,026
Current income/(loss)		(6,856,175)	(8,671,989)	(1,761,506)	19,777,255
Income taxation	1.k) and 7	649,109	284,778	(6,343)	(119,366)
Net income/(loss)		(6,007,066)	(8,387,211)	(1,738,751)	19,657,889
Earnings per share	18				
Including discontinued operations					
Basic		(0.02)	(0.02)	0.06	0.05
Diluted		(0.02)	(0.02)	0.06	0.05
Excluding discontinued operations					
Basic		(0.02)	(0.02)	0.06	0.05
Diluted		(0.02)	(0.02)	0.06	0.05

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

The Chief Accountant

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SONAECON, S.G.P.S., S.A.
STATEMENT OF COMPREHENSIVE INCOME
FOR THE SEMESTERS ENDED AT 30 JUNE 2009 AND 2008

(Amounts expressed in Euro)

	Notes	June 2009	June 2008
Net income/(loss) for the period		(6,007,066)	21,366,009
Components of other comprehensive income, net of tax:			
Increase/(decrease) in financial hedging instruments' fair value	1.i) and 12	307,068	755,674
Delivery of own shares under the Medium Term Incentive Plans	1.r) and 19	3,564,695	2,073,732
Recognition in equity of the responsibilities associated with the Medium Term Incentive Plans	1.r) and 19	315,053	(304,296)
Recognition of contracts with share liquidation		(116,398)	-
Components of other comprehensive income, net of tax		4,070,418	2,525,110
Statement comprehensive income for the period		(1,936,648)	23,891,119

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

The Chief Accountant

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SONAECON S.G.P.S., S.A.

MOVEMENTS IN SHAREHOLDERS' FUNDS

FOR THE SEMESTERS ENDED AT 30 JUNE 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	-	-	-	982,894	-	-	-	18,674,995	19,657,889	(19,657,889)	-
Consolidated comprehensive income for the period ended at 30 June 2009	-	3,784,046	-	-	228,527	(3,784,046)	307,068	3,534,823	286,372	(6,007,066)	(1,936,648)
Acquisition of own shares	-	(1,987,892)	-	-	-	1,987,892	-	(1,987,892)	-	-	(1,987,892)
Balance at 30 June 2009	366,246,868	(11,703,596)	775,290,377	1,985,181	228,527	11,703,596	-	6,429,723	795,637,403	(6,007,066)	1,144,173,609

	2008										
	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 2007	366,246,868	(8,938,165)	775,290,377	1,002,287	304,296	8,938,165	412,910	8,189,905	794,137,940	(15,334,817)	1,136,111,826
Appropriation of the consolidated result of 2007	-	-	-	-	-	-	-	(15,334,817)	(15,334,817)	15,334,817	-
Consolidated comprehensive income for the period ended at 30 June 2008	-	4,275,838	-	-	(304,296)	(4,275,838)	755,674	2,073,732	(1,750,728)	21,366,009	23,891,119
Acquisition of own shares	-	(1,373,699)	-	-	-	1,373,699	-	(1,373,699)	-	-	(1,373,699)
Balance at 30 June 2008	366,246,868	(6,036,026)	775,290,377	1,002,287	-	6,036,026	1,168,584	(6,444,879)	777,052,395	21,366,009	1,158,629,246

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

SONAECON, S.G.P.S., S.A.

CASH FLOWS STATEMENTFOR THE SEMESTERS ENDED AT 30 JUNE 2009 AND 2008

(Amounts expressed in Euro)

	<u>30 June 2009</u>		<u>30 June 2008</u>	
Operating activities				
Payments to employees	(2,572,985)		(3,295,786)	
Cash flows from operating activities	(2,572,985)		(3,295,786)	
Payments/receipts relating to income taxes, net	(766,641)		(383,651)	
Other payments/receipts relating to operating activities, net	1,462,249		4,970,923	
Cash flows from operating activities (1)	(1,877,376)	(1,877,376)	1,291,487	1,291,487
Investing activities				
Receipts from:				
Investments	700,000		16,672,929	
Interest and similar income	10,975,868		12,435,241	
Dividends	3,480,000	15,155,868	21,414,813	50,522,983
Payments for:				
Investments	(65,200)		(44,325,000)	
Tangible assets	(106,223)		(10,438)	
Intangible assets	(339)		(140)	
Loans granted	(126,255,000)	(126,426,762)	(62,877,000)	(107,212,578)
Cash flows from investing activities (2)		(111,270,894)		(56,689,594)
Financing activities				
Receipts from:				
Loans obtained	293,367,510	293,367,510	-	-
Payments for:				
Interest and similar expenses	(9,834,949)		(9,452,570)	
Own shares	(1,987,893)		(1,373,699)	
Loans obtained	(205,671,010)	(217,493,851)	(20,792,001)	(31,618,270)
Cash flows from financing activities (3)		75,873,659		(31,618,270)
Net cash flows (4)=(1)+(2)+(3)		(37,274,612)		(87,016,378)
Cash and cash equivalents at the beginning of the year		50,098,913		145,675,701
Cash and cash equivalents at year end		12,824,302		58,659,323

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

Chief Accountant

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

NOTES TO THE CASH FLOWS STATEMENT

FOR THE SEMESTERS ENDED AT 30 JUNE 2009 AND 2008

(Amounts expressed in Euro)

	30 June 2009	30 June 2008
1 - Acquisition or sale of subsidiaries or other businesses		
a) Amount of other assets and liabilities acquired		
Supplementary capital to Sonaetelecom BV	-	40,000,000
Supplementary capital to Be Artis - Conceção, Construção e Gestão de Redes de Comunicações, S.A.	-	4,325,000
Share capital increase at Sonaecom - Serviços de Comunicações, S.A.	65,200	-
	<u>65,200</u>	<u>44,325,000</u>
b) Amount received from acquisitions of previous years (price adjustments)		
Telelúdio Telecomunicações - Sociedade Unipessoal, Lda.	-	1,496,920
c) Other Business activities		
Reimburse of supplementary capital from Sonae Telecom, S.G.P.S.	-	15,176,009
Reimburse of supplementary capital from Sonae.com - Sistemas de Informação, S.G.P.S., S.A.	700,000	-
	<u>700,000</u>	<u>16,672,929</u>
2 - Details of cash and cash equivalents		
Cash in hand	10,548	9,227
Cash at bank	47,754	94,096
Treasury applications	12,766,000	58,556,000
Overdrafts	-	-
Cash and cash equivalents	<u>12,824,302</u>	<u>58,659,323</u>
Overdrafts	-	-
Cash assets	12,824,302	58,659,323
3 - Description of non monetary financing activities		
a) Bank credit granted and not used	63,565,000	127,500,000
b) Purchase of company through the issue of shares	Not applicable	Not applicable
c) Conversion of loans into shares	Not applicable	Not applicable

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

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12.4. Notes to the Sonaecom individual financial statements

Notes to the financial statements as at 30 June 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.

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 financial statements are presented in Euro, rounded at unit.

1. Basis of presentation

The accompanying financial statements have been prepared on a going concern basis, based on the Company's accounting records in accordance with International Financial Reporting Standards ("IAS/IFRS") as adopted by the European Union ("EU").

The adoption of the International Financial Reporting Standards ("IFRS") as adopted by the European Union occurred for the first time in 2007 and as defined by IFRS1 – "First time adoption of International Financial Reporting Standards", 1 January 2006 was the date of transition from generally accepted accounting principles in Portugal to those standards.

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

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 reported 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 occurred yet:

- Amendments to IAS 1, 7, 17, 18, 36, 38 and 39, and IFRS 2, 5 and 8, and also to IFRIC 9 and 16, mandatory at different times, with the closest to 1 July 2009;
- Amendments to IAS 27 and 39 mandatory at 1 July 2009;
- Amendments to IAS 39 mandatory at 1 July 2008, but not yet endorsed in the EU;
- 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 to IAS 39, mandatory for periods ended on, or after, 30 June 2009, but not yet endorsed in the EU;
- Review of IFRS 1 – "First-time adoption of international financial reporting standards", mandatory at 1 July 2009;
- Review of IFRS 3 – "Business Combinations" (includes amendments to IAS 27, 28 and 31), mandatory 1 July 2009;
- IFRIC 15 – "Agreements for the construction of Real Estate", mandatory at 1 January 2009, but not yet endorsed in the EU;
- IFRIC 17 – "Distributions of Non-cash Assets to Owners", mandatory at 1 de July 2009;
- IFRIC 18 – "Transfer of Assets from Costumers", mandatory at 1 de July 2009.

The application of these standards and interpretations, when applicable to the Company, will not produce a material impact on the financial statements of the Company, in future.

During the semester ended 30 June 2009, Sonaecom adopted the changes contained in IAS 1 – 'Presentation of Financial Statements', which resulted, essentially, in the redenomination of some financial headings and the inclusion of a new statement (Statement of comprehensive income).

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

Main accounting policies

The main accounting policies used in the preparation of the accompanying financial statements are as follows:

a) 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' of 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 and others constructions - improvements in buildings owned by third parties	10 - 20
Plant and machinery	5 - 10
Tools	4
Fixtures and fittings	3 - 10
Other tangible assets	8

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

b) 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 Company, if the Company controls them and if their cost can be reliably measured.

Intangible assets correspond, essentially, to software and industrial property.

Amortisations are calculated on a straight-line monthly basis, over the estimated useful life of the assets (three years) as from the month in which the corresponding expenses are incurred.

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

c) Investments in Group companies and other non current assets

Investments in companies in which the Company 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 are recorded under the caption 'Investments in Group companies', at their acquisition cost, in accordance with IAS 27, as Sonaecom presents, separately, consolidated financial statements in accordance with IAS/IFRS.

Loans and supplementary capital granted to affiliated companies with maturities, estimated or defined contractually, greater than one year, are recorded, at their nominal value, under the caption 'Other non current assets'.

Investments and loans granted to Group companies are evaluated whenever an event or change of circumstances indicates that the recorded amount may not be recoverable or impairment losses recorded in previous years no longer exist.

Impairment losses estimated for investments and loans granted to Group companies are recorded, in the year that they are estimated, under the caption 'Other financial expenses' in the profit and loss statement.

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

d) Investments

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

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

a) 'Financial assets at fair value through profit or loss'

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if it is acquired principally for the purpose of selling 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.

b) 'Loans and receivables'

Loans and receivables are non-derivative financial assets with fixed or variable payments that are not quoted in an active market. These financial investments arise when the Company 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 its 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 caption 'Other current debtors' in the balance sheet.

c) 'Held-to-maturity investments'

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

d) '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 Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. The 'Financial assets at fair value through profit or loss' are initially recognised at fair value and the transaction costs are recorded in the income statement. Investments are derecognised when the rights to receive cash flows from the investments have expired or transferred, and consequently 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 income statement. Realised and unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the 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 Company establishes fair value by using 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 valuation techniques can be used, the Company values these investments at acquisition 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 Company 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 decline (above 25%) or prolonged decline (during two consecutive quarters) 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 the profit or loss statement – is removed from equity and recognised in the profit and loss statement. Impairment losses recognised in the profit and loss statement on equity securities are not reversed through the profit and loss statement.

e) 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, interest included in lease payments and 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.

f) Other current debtors

Other current debtors are recorded at their net realisable value, and do not include interest, because the financial updated effect is not significant.

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

The amount of this caption is 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'.

g) 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 any change in value is insignificant.

The cash flow statement has been prepared in accordance with IAS 7, using the direct method. The Company 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 captions relating to operating activities.

Cash flows from investing activities include the acquisition and sale of investments in associated and subsidiaries companies and receipts and payments resulting from the purchase and sale of fixed assets.

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

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.

h) Loans

Loans are recorded as liabilities by the “amortised cost”. Any expenses incurred in setting up loans are recorded as a deduction to the nominal debt and recognised during the period of the financing, based on the effective interest rate method. The interests incurred but not yet due are added to the loans caption till their payment.

i) Derivatives

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

The cash flow hedges used by the Company are related to interest rate swaps 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 reserves’ 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.

j) Provisions and contingencies

Provisions are recognised when, and only when, the Company 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 Company has a detailed plan and if that plan has already been communicated to the parties involved.

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

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

k) 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).

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 year 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 7).

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

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 registered in the profit and loss statement.

l) 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 amount in the results of the periods to which they relate to.

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.

m) 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 7 and 13).

n) 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 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 Reserves

According to IFRS 2, the responsibility related with the equity settled plans is registered under the heading of Medium Term Incentive Plan Reserves, 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.i) 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 reserves.

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 June 2009, Sonaecom, SGPS, S.A., had 422,657 Euros in reserves which by their nature could be considered distributable.

o) Own shares

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

p) 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 profit and loss statement of the period, in financial results.

The following rates were used for the translation into Euro:

	2009		2008	
	30.06.09	Average	30.06.08	Average
Pounds Sterling	1.17357	1.11959	1.26223	1.29082
Brazilian Real	0.36405	0.34290	0.39822	0.38563
American Dollar	0.70751	0.75125	0.63436	0.65407
Polish Zloti	0.22462	0.22375	0.29839	0.28668
Australian Dollar	0.57607	0.53358	0.61084	0.60473
Mexican Peso	0.05390	0.05426	-	-
Egyptian Pound	7.89141	7.47969	-	-
Malaysian Ringgit	0.20128	0.20933	-	-

q) 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 amount recoverable is the greater of the net selling price and the value of use. Net selling price is the amount obtained 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 of use is the present amount 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.

For financial investments, the recoverable amount is determined based on last business plans duly approved by the Board of Directors of the Company.

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;
- it is probable that the debtor goes into liquidation or into a financial restructuring.

r) 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 Company involves the delivery of Sonaecom's own shares, the estimated responsibility is recorded, as a credit entry, under the caption 'Reserves – Medium Term Incentive Plans', within the heading 'Shareholders' funds' and is charged as an expense under the caption 'Staff expenses' in the profit and loss statement.

The quantification of this responsibility is based on its fair value at the attribution date 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 in 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 income 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 income statement caption 'Staff expenses', for the cost relating to the deferred period elapsed. The liability is quantified based on the fair value of the shares as of each balance sheet date.

At 30 June 2009, all the Sonaecom share plans were covered through the detention of own shares. Therefore the impacts of the share plans of the Medium Term Incentive Plans are registered, in the balance sheet, in the caption 'Medium Term Incentive Plans reserve'. The cost is recognized in the income statement caption 'Staff expenses'.

In relation to plans which shall be liquidated through the delivery of shares of the parent company, the Company signed contracts with an external entity, under which the price for the acquisition of those shares was fixed. The responsibility associated to those 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 income statement caption 'Staff expenses'.

s) 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 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 financial statements.

t) Judgements and estimates

The most significant accounting estimates reflected in the financial statements of the semesters ended at 30 June 2009 and 2008 include mainly impairment analysis of assets, particularly financial investments in Group companies.

Estimates used are based on the best information available during the preparation of financial statements and are based on the best knowledge of past and present events. Although future events are not controlled by the Company neither foreseeable, some could occur and have impact on the estimates. Changes to the estimates used by the management that occur after the approval date of these 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 financial statements are disclosed in the respective notes.

u) Financial risk management

The Company's activities expose it 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 to project cash flows and profits. The Company's financial risk management, subject to a long term ongoing perspective, seeks to minimize potential adverse effects that derive from that uncertainty, using, every time it is possible and advisable, derivative financial instruments to hedge the exposure to such risks (Note 1. i)).

Market risk

a. Foreign exchange risk

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

Whenever possible, the Company uses natural hedges to manage exposure, by offsetting credits granted and credits received expressed in the same currency. When such procedure is not possible, the Company adopts derivative financial hedging instruments.

Considering the reduced values of assets and liabilities in foreign currency, the impact of a change in exchange rate will not have significant impacts in the financial statements.

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 in the Company results or in its shareholders' funds is mitigated by the effect of the following factors: (i) relatively low level of financial leverage; (ii) possibility to use derivative 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 Company's results, 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 Company 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 equalize 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 Company's business plan.

As all Sonaecom's borrowings (Note 12) are at variable rates, interest rate swaps and other derivatives are used to hedge future changes in cash flow relating to interest payments. Interest rate swaps have the financial effect of converting the respective borrowings from floating rates to fixed rates. Under the interest rate swaps, the Company agrees with third parties (banks) to exchange, in pre-determined periods, the difference between the amount of interest calculated at the fixed contract rate and the floating rate at the time of re-fixing, by reference to the respective agreed notional amounts.

The counterparties of the derivative hedging instruments are limited to highly rated financial institutions, being the Company'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 Company 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 period. 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 Board of Directors approves the terms and conditions of the financing with significant impact in the Company, 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 Company requires the definition of some policies for an efficient and secure management of the liquidity, allowing to maximize the profitability and to minimize the opportunity costs related with 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 in the respective dates of maturity as well as any eventual not forecasted requests for funds, in the deadlines set for this; (ii) Safety, i.e., to minimize the probability of default in any reimbursement of application of funds; and (iii) Financial Efficiency, i.e., to ensure that the Company maximizes the value / minimize 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 Company should be applied to the alternatives and by the order described below:

- i. Amortization of short term debt – after comparing the opportunity cost of amortization 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 assure 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 equalize the forecasted payments (or the applications should be easily convertible, in 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 each of the liabilities associated to financial instruments is presented in the Note 12.

d. Credit Risk

The Company'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 Company 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 Company.

The amounts included in the financial statements related to other current debtors, net of impairment losses, represent the maximum exposure of the Company to credit risk.

2. Tangible Assets

In the semesters ended at 30 June 2009 and 2008, the movement in Tangible assets and in the corresponding accumulated depreciation and impairment losses, was as follows:

2009						
	Buildings and other constructions	Plant and machinery	Tools	Fixtures and fittings	Other tangible assets	Total
GROSS ASSETS						
Balance at 31.12.2008	679,443	46,325	171	328,207	103	1,054,249
Additions	41,722	-	-	-	-	41,722
Balance at 30.06.2009	721,165	46,325	171	328,207	103	1,095,971
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES:						
Balance at 31.12.2008	276,753	9,607	92	185,127	103	471,682
Depreciation for the semester	35,380	4,258	43	16,796	-	56,477
Balance at 30.06.2009	312,133	13,865	135	201,923	103	528,159
Net Value	409,032	32,460	36	126,284	-	567,812
2008						
	Buildings and other constructions	Plant and machinery	Tools	Fixtures and fittings	Other tangible assets	Total
GROSS ASSETS						
Balance at 31.12.2007	321,863	25,444	171	211,689	103	559,270
Additions	24,638	2,827	-	7,472	-	34,937
Balance at 30.06.2008	346,501	28,271	171	219,161	103	594,207
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES:						
Balance at 31.12.2007	227,887	2,330	7	147,473	11	377,708
Depreciation for the semester	16,194	2,726	43	16,163	54	35,180
Balance at 30.06.2008	244,081	5,056	50	163,636	65	412,888
Net Value	102,420	23,215	121	55,525	38	181,319

3. Intangible assets

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

2009				
	Brands, patents and other rights	Software	Intangible assets in progress	Total
GROSS ASSETS:				
Balance at 31.12.2008	6,650	168,027	13,917	188,594
Additions	-	339	-	339
Balance at 30.06.2008	6,650	168,366	13,917	188,933
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES:				
Balance at 31.12.2008	5,630	133,290	-	138,920
Depreciation for the semester	344	8,755	-	9,099
Balance at 30.06.2008	5,974	142,045	-	148,019
Net Value	676	26,321	13,917	40,914
2008				
	Brands, patents and other rights	Software	Intangible assets in progress	Total
GROSS ASSETS:				
Balance at 31.12.2007	6,509	168,027	13,917	188,453
Additions	140	-	-	140
Balance at 30.06.2008	6,649	168,027	13,917	188,593
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES:				
Balance at 31.12.2007	4,844	112,488	-	117,332
Depreciation for the semester	396	11,302	-	11,698
Balance at 30.06.2008	5,240	123,790	-	129,030
Net Value	1,409	44,237	13,917	59,563

The intangible assets in progress were mainly composed by software development.

4. Breakdown of Financial Investments

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

2009							
	Investments recorded at fair value through profit and loss	Loans and receivables	Investments held to maturity	Investments available for sale	Subtotal	Others not covered by IFRS 7	Total
Non current assets:							
Other non current assets	-	638,212,223	-	-	638,212,223	-	638,212,223
	-	638,212,223	-	-	638,212,223	-	638,212,223
Current assets:							
Other current debtors	-	85,653,653	-	-	85,653,653	1,219,556	86,873,209
Cash and cash equivalents	-	12,824,302	-	-	12,824,302	-	12,824,302
	-	98,477,955	-	-	98,477,955	1,219,556	99,697,511
2008							
	Investments recorded at fair value through profit and loss	Loans and receivables	Investments held to maturity	Investments available for sale	Subtotal	Others not covered by IFRS 7	Total
Non current assets:							
Other non current assets	-	561,911,005	-	-	561,911,005	-	561,911,005
	-	561,911,005	-	-	561,911,005	-	561,911,005
Current assets:							
Other current debtors	-	6,234,370	-	-	6,234,370	1,394,493	7,628,863
Cash and cash equivalents	-	58,659,323	-	-	58,659,323	-	58,659,323
	-	64,893,693	-	-	64,893,693	1,394,493	66,288,186
2009							
	Liabilities recorded at fair value through profit and loss	Derivatives	Liabilities recorded at amortized 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	-	-	411,128,478	-	411,128,478	-	411,128,478
	-	-	411,128,478	-	411,128,478	-	411,128,478
Current liabilities:							
Short-term loans and other loans	-	-	86,045,928	-	86,045,928	-	86,045,928
Other creditors	-	-	-	647,640	647,640	296,661	944,301
	-	-	86,045,928	647,640	86,693,568	296,661	86,990,229
2008							
	Liabilities recorded at fair value through profit and loss	Derivatives	Liabilities recorded at amortized 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	-	(1,168,584)	356,703,499	-	355,534,915	-	355,534,915
	-	(1,168,584)	356,703,499	-	355,534,915	-	355,534,915
Current liabilities:							
Short-term loans and other loans	-	-	14,465,000	-	14,465,000	-	14,465,000
Other creditors	-	-	-	573,689	573,689	348,492	922,181
	-	-	14,465,000	573,689	15,038,689	348,492	15,387,181

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

5. Investments in Group companies

At 30 June 2009 and 2008, this caption included the following investments in Group companies:

Company	2009	2008
Sonaecom Serviços de Comunicações, S.A. ("Sonaecom SC", ex Novis Telecom, S.A.)	764.876.231	749.628.393
Sonae Telecom, S.G.P.S., S.A. ("Sonae Telecom")	105.799.987	105.799.987
Sonaetelecom BV	44.209.902	44.209.902
Sonae.com – Sistemas de Informação, S.G.P.S., S.A. ("Sonae com SI")	26.641.587	26.641.587
Telemilénio, Telecomunicações, Sociedade Unipessoal, Lda. ("Tele 2")	-	13.076.489
Miauger – Organização e Gestão de Leilões Electrónicos, S.A. ("Miauger")	4.568.100	4.568.100
Sonaecom BV	20.000	100.000
Be Artis – Conceção, Construção e Gestão de Redes de Comunicações, S.A. ("Be Artis")	50.000	50.000
	<u>946.165.807</u>	<u>944.074.458</u>
Impairment losses (Note 13)	(46.609.902)	(45.977.902)
Total investments in Group companies	<u>899.555.905</u>	<u>898.096.556</u>

The movements occurred in investments in Group companies during the semesters ended at 30 June 2009 and 2008 were as follows:

Company	Balance at 31-12-2008	Additions	Disposals	Transfers	Balance at 30-06-2009
Sonaecom SC	749,628,393	65,200	-	15,182,638	764,876,231
Sonae Telecom	105,799,987	-	-	-	105,799,987
Sonaetelecom BV	44,209,902	-	-	-	44,209,902
Sonae com SI	26,641,587	-	-	-	26,641,587
Tele 2	13,076,489	-	-	(13,076,489)	-
Miauger	4,568,100	-	-	-	4,568,100
Sonaecom BV	100,000	-	(80,000)	-	20,000
Be Artis	50,000	-	-	-	50,000
	<u>944,074,458</u>	<u>65,200</u>	<u>(80,000)</u>	<u>2,106,149</u>	<u>946,165,807</u>
Impairment losses (Note 13)	(45,977,902)	(632,000)	-	-	(46,609,902)
	<u>898,096,556</u>	<u>(566,800)</u>	<u>(80,000)</u>	<u>2,106,149</u>	<u>899,555,905</u>

Company	Balance at 31-12-2007	Additions	Disposals	Transfers	Balance at 30-06-2008
Sonaecom SC	749,628,393	-	-	-	749,628,393
Sonae Telecom	105,799,987	-	-	-	105,799,987
Sonaetelecom BV	44,209,902	-	-	-	44,209,902
Sonae com SI	26,641,587	-	-	-	26,641,587
Miauger	4,568,100	-	-	-	4,568,100
Tele 2	178,409	-	(868,135)	13,766,215	13,076,489
Sonaecom BV	100,000	-	-	-	100,000
Be Artis	50,000	-	-	-	50,000
	<u>931,176,378</u>	<u>-</u>	<u>(868,135)</u>	<u>13,766,215</u>	<u>944,074,458</u>
Impairment losses (Note 13)	(10,448,903)	-	-	(35,528,999)	(45,977,902)
	<u>920,727,475</u>	<u>-</u>	<u>(868,135)</u>	<u>(21,762,784)</u>	<u>898,096,556</u>

With accounting effect from 1 January 2009, the subsidiary Telemilénio Telecomunicações, Sociedade Unipessoal, Lda. was merged by incorporation into the subsidiary Sonaecom - Serviços de Comunicações, S.A.. This transaction was approved at the General Shareholder Meetings of each company, both held on 24 November 2008.

In the semester ended at 30 June 2009, the amount of Euro 15,182,638 in 'Transfers' relates to the investment in Tele 2, and to the reinforce of supplementary capital in the amount of Euro 2,106,149 under the terms of the merger.

The amount of Euro 13,766,215 in the heading 'Transfers' in the year 2008, relates to the transfer of 'Supplementary capital' to cover accumulated losses in the subsidiary Tele 2 (Note 6). The amount of Euro 868,135 in the heading 'Disposals' in the year 2008, is due to a correction to the acquisition price of Tele 2, which was acquired during the year ended at 31 December 2007.

During the semester ended at 30 June 2009, the transfer of the value of the impairment was made to the heading 'Other non current assets' (Notes 6 and 15).

The Company presents separate consolidated financial statements at 30 June 2009, in accordance with International Financial Reporting Standards (IAS/IFRS) as adopted by the European Union, which presents total consolidated assets of Euro 1,957,247,751, total consolidated liabilities of Euro 1,026,447,545, consolidated operational revenues of Euro 483,905,556 and consolidated Shareholders' funds of Euro 930,800,206, including a consolidated net profit (attributable to the shareholders of the parent company – Sonaecom, S.G.P.S., S.A.) for the semester ended at 30 June 2009 of Euro 1,419,771.

At 30 June 2009 and 2008, the main financial information regarding the subsidiaries directly owned by the Company is as follows (values in accordance with IAS/IFRS):

Company	Head office	2009			2008		
		% holding	Shareholders' funds	Net profit/(loss)	% holding	Shareholders' funds	Net profit/(loss)
Sonaecom SC	Maia	54%	512,559,166	3,007,278	54%	477,068,175	(13,041,294)
Sonae Telecom	Maia	100%	174,597,447	(12,933)	100%	175,000,345	15,171,561
Sonae com SI	Maia	100%	43,865,809	650,177	100%	46,808,168	12,082
Miauger	Maia	100%	714,794	(168,634)	100%	900,258	451,478
Sonaetelecom BV	Amsterdam	100%	(8,427,882)	(371,943)	100%	2,601,897	(966,105)
Tele 2	Lisbon	-	-	-	100%	(1,325,371)	775,779
Sonaecom BV	Amsterdam	100%	(15,115,361)	(92,003)	100%	(11,677,282)	254,677
Be Artis (ex Optimus Artis)	Amsterdam	100%	111,003,356	319,940	100%	1,777,158	1,747,328

At 30 June 2009 and 2008, Sonaecom owned, indirectly, through Sonae Telecom S.G.P.S., S.A. and Sonaecom BV, an additional shareholding of 37.94% and 8.52% in Sonaecom - Serviços de Comunicações, respectively, amounting to 100% of participation.

The evaluation of the existence of impairment losses for the main investments in the Group companies was based on most up-to-date business plans duly approved by the Group's Board of Directors, which include projected cash flows 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, and are as indicated in the table below. In perpetuity, the Group considered a growth rate of circa 3%.

	Discount rate
Telecommunications	7.90%
Multimedia	9.60%
Information Systems	9.30%

6. Other non current assets

At 30 June 2009 and 2008, this caption was made up as follows:

	2009	2008
FINANCIAL ASSETS:		
Medium and long-term loans granted to Group companies:		
Be Artis	325,170,000	135,860,000
Sonaecom BV	130,197,000	116,127,000
Sonaetelecom BV	28,246,000	35,725,000
Lugar Virtuais	900,000	-
Sonae com SI	100,000	390,000
Sonaecom SC	-	228,795,000
Tele 2	-	961,782
	<u>484,613,000</u>	<u>517,858,782</u>
Supplementary capital:		
Be Artis	115,640,000	4,325,000
Sonae com SI	32,874,188	33,574,188
Sonae Telecom SGPS	15,788,458	15,788,458
Sonaetelecom BV	11,500,000	-
	<u>175,802,646</u>	<u>53,687,646</u>
Accumulated impairment losses (Note 13)	<u>(22,203,423)</u>	<u>(9,635,423)</u>
	<u>638,212,223</u>	<u>561,911,005</u>

During the semesters ended at 30 June 2009 and 2008, the movements occurred in 'Medium and long-term loans granted to Group companies' were as follows:

Company	Balance at 31-12-2008	Additions	Disposals	Transfers	Balance at 30-06-2009
Be Artis	306,420,000	134,550,000	(160,000)	-	440,810,000
Sonaecom BV	138,887,000	2,940,000	(11,630,000)	-	130,197,000
Sonaetelecom BV	38,901,000	845,000	-	-	39,746,000
Sonae com SI	33,964,187	100,000	(1,089,999)	-	32,974,188
Sonae Telecom SGPS	15,788,458	-	-	-	15,788,458
Lugares Virtuais	900,000	-	-	-	900,000
Tele 2	2,106,149	-	-	(2,106,149)	-
	<u>536,966,794</u>	<u>138,435,000</u>	<u>(12,879,999)</u>	<u>(2,106,149)</u>	<u>660,415,646</u>

Company	Balance at 31-12-2007	Additions	Disposals	Transfers	Balance at 30-06-2008
Sonaecom SC	262,795,000	-	(34,000,000)	-	228,795,000
Be Artis	-	141,275,000	(1,090,000)	-	140,185,000
Sonaecom BV	120,660,000	11,432,000	(15,965,000)	-	116,127,000
Sonaetelecom BV	70,175,000	12,025,000	(46,475,000)	-	35,725,000
Sonae com SI	33,964,188	-	-	-	33,964,188
Sonae Telecom SGPS	30,964,467	-	(15,176,009)	-	15,788,458
Tele 2	14,727,997	-	-	(13,766,215)	961,782
	<u>533,286,652</u>	<u>164,732,000</u>	<u>(112,706,009)</u>	<u>(13,766,215)</u>	<u>571,546,428</u>

During the semesters ended at 30 June 2009 and 2008, the loans granted to Group companies, earned interest at market rates, with an average interest rate of 2.38% and 5.18%, respectively. Supplementary capital is non interest bearing.

The movement in the caption 'Accumulated impairment losses' is due to the reinforce performed during the semester in the amount of Euro 6,868,000 (Note 13).

Loans granted to group companies and Supplementary capital do not have a defined maturity and, as such, no information about their aging is presented.

The evaluation of the existence of impairment losses for the loans granted to Group companies was based on the most up-to-date business plans duly approved by the Group's Board of Directors, which include projected cash flows for periods of 5 years. The discount rates used and the perpetuity growth considered are presented in the previous note (Note 5).

7. Deferred tax assets

Deferred tax assets at 30 June 2009, amounted to Euro 670,529 and arose, mainly, from tax losses carried forward, and from differences between the accounting and tax amount of some assets and liabilities.

The movement in deferred tax assets in the semester ended at 30 June 2009 was as follows:

	2009
Opening balance	-
Impact on results	
Tax losses recorded as a result of the adoption of the special regime for the taxation of groups of companies	551,279
Movements in provisions non-tax deductible	119,250
Subtotal impact in results	<u>670,529</u>
Closing balance	<u>670,529</u>

At 30 June 2009, the rate used 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%.

At 30 June 2009, the value of deferred tax assets not recorded where is not expected that sufficient taxable profits will be generated in the future to cover those losses, have the following detail:

Year when were originated	Tax losses	Adjustments to IAS/IFRS	Provisions non-tax deductible	Total	Deferred tax assets
2001	-	-	3,463,000	3,463,000	917,695
2002	-	-	11,431,819	11,431,819	3,029,432
2003	-	-	31,154,781	31,154,781	8,256,017
2004	-	-	9,662,981	9,662,981	2,560,690
2005	-	-	(3,033,899)	(3,033,899)	(803,983)
2006	24,341,554	(257,438)	(149,858)	23,934,258	5,977,455
2007	54,563,604	81,031	(537,036)	54,107,599	13,520,060
2008	-	55,359	9,893,940	9,949,299	2,636,564
2009	-	(18,941)	-	(18,941)	(5,019)
	<u>78,905,158</u>	<u>(139,989)</u>	<u>61,885,728</u>	<u>140,650,897</u>	<u>36,088,911</u>

The reconciliation between the earnings before tax and the tax recorded for the semester ended at 30 June 2009 is as follows:

	2009
Earnings before tax	(6,656,175)
Income tax rate (25%)	1,664,044
Current income tax and other related taxes	(21,420)
Adjustments to the taxable income	(993,515)
Income taxation recorded in the semester	<u>649,109</u>

Portuguese Tax Authorities can review the income tax returns of the Company 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 progress, 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 produce a significant impact in the accompanying 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 financial statements, associated to probable tax contingencies that should have been recorded or disclosed in the accompanying financial statements, at 30 June 2009.

8. Other current debtors

At 30 June 2009 and 2008, this heading was made up as follows:

	2009	2008
Trade debtors	85,655,583	6,235,329
State and other public entities	1,219,556	1,394,493
Accumulated impairment losses on accounts receivables (Note 13)	(1,930)	(959)
	<u>86,873,209</u>	<u>7,628,863</u>

The amount recorded in the caption 'Other current debtors' corresponds mainly to the advance payment in the amount of 80 million Euros, made to Sonaecom BV for the acquisition of the participation of 8.52% held by this company in Sonaecom – Serviços de Comunicações, S.A., which shall take place in 2009. At 30 June 2009 and 2008, this caption also included amounts to be received from Group companies, for debts issued in June 2009 and 2008, relating to interests receivable from subsidiaries on shareholders' loans, interest on treasury applications and services rendered.

At 30 June 2009 and 2008 the caption 'State and other public entities', includes income tax special advance payment, retentions and taxes to be recovered.

9. Cash and cash equivalents

At 30 June 2009 and 2008, the breakdown of cash and cash equivalents was as follows:

	2009	2008
Cash	10,548	9,227
Bank deposits repayable on demand	47,754	94,096
Treasury applications	12,766,000	58,556,000
	<u>12,824,302</u>	<u>58,659,323</u>

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

	2009	2008
Wedo	9,658,000	12,125,000
Público	1,070,000	2,775,000
Lugar Virtuais	1,050,000	-
Sonaecom SC	988,000	41,626,000
Tele 2	-	1,240,000
Banco Espírito Santo	-	495,000
Banco Santander Totta	-	295,000
	<u>12,766,000</u>	<u>58,556,000</u>

During the semester ended at 30 June 2009, the above referred treasury applications beared interests at an average rate of 2.47% (5.05% in 2008).

10. Share capital

At 30 June 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%	194,423,837	53.09%
Atlas Service Belgium	73,249,374	20.00%	-	-
Shares traded on the Portuguese Stock Exchange ('Free float')	62,569,173	17.08%	70,782,961	19.33%
093X (EDP)	29,150,000	7.96%	29,150,000	7.96%
Own shares	6,564,202	1.79%	1,588,553	0.43%
Sonae	838,649	0.23%	23,649	0.01%
Efanor Investimentos, S.G.P.S., S.A	1,000	0.00%	1,000	0.00%
Wirefree Services Belgium, S.A.	-	-	70,276,868	19.19%
	<u>366,246,868</u>	<u>100.00%</u>	<u>366,246,868</u>	<u>100.00%</u>

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

11. Own shares

During the semester ended at 30 June 2009, Sonaecom delivered to its employees 786,243 own shares under its Medium Term Incentive Plans.

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

12. Loans

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

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

Issue denomination	Limit	Maturity	Type of reimbursement	Amount outstanding	
				2009	2008
"Obrigações Sonaecom SGPS 2005"	150,000,000	Jun-13	Final	150,000,000	150,000,000
Costs associated with setting-up the financing	-	-	-	(2,162,587)	(2,661,755)
Interests incurred but not yet due	-	-	-	87,150	200,067
Fair value of swaps	-	-	-	-	(542,778)
				<u>147,924,563</u>	<u>146,995,534</u>
Commercial paper	250,000,000	100.000.000 until Jul-10	-	230,000,000	207,500,000
	70,000,000	150.000.000 until Jul-12 Jul-10	-	33,000,000	-
Interests incurred but not yet due	-	-	-	203,915	1,665,187
Fair value of swaps	-	-	-	-	(625,806)
				<u>263,203,915</u>	<u>208,539,381</u>
				<u>411,128,478</u>	<u>355,534,915</u>

In July 2007, Sonaecom contracted a Commercial Paper Program Issuance with a maximum amount of Euro 250 million with subscription grant and maturity of five years, organized 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 Argentina (Portugal), Banco Comercial Português and BNP Paribas (in Portugal).

With this refinancing, the group was able to increase the weighted average maturity, 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 market rates, indexed to the Euribor for the respective term, and were all contracted in Euro.

The average interest rate of the bond loan, in the period, was 3.99%.

All the loans above are unsecured and the fulfillment of the obligations under these loans is exclusively guaranteed by the underlying activities and the indebted company cash flows generation capacity.

At 30 June 2009 and 2008, the repayment schedule of medium and long term loans and of interests, for both bonds and commercial paper was as follows (values based on recent rates fixed for each type of loan):

	2009					
	N+1	N+2	N+3	N+4	N+5	Após N+5
Bond Loan						
Reimbursements	-	-	-	150,000,000	-	-
Interests	3,486,000	3,486,000	3,495,551	1,633,167	-	-
Commercial paper						
Reimbursements	-	113,000,000	-	150,000,000	-	-
Interests	3,258,770	1,888,927	1,775,850	145,960	-	-
	<u>6,744,770</u>	<u>118,374,927</u>	<u>5,271,401</u>	<u>301,779,127</u>	<u>-</u>	<u>-</u>

2008						
	N+1	N+2	N+3	N+4	N+5	Após N+5
Bond Loan						
Reimbursements	-	-	-	-	150,000,000	-
Interests	9,153,050	9,153,050	9,153,050	9,178,058	8,902,967	-
Commercial paper						
Reimbursements	-	-	57,500,000	-	150,000,000	-
Interests	9,781,390	9,781,390	8,669,902	7,149,334	605,545	-
	<u>18,934,440</u>	<u>18,934,440</u>	<u>75,322,952</u>	<u>16,327,392</u>	<u>309,508,512</u>	<u>-</u>

Although the maturity of commercial paper issuance is less than 1 year, the counterparties assumed the placement and the maintenance of those limits for a period of five years, and the Board of Directors recorded such liabilities in the medium and long-term.

At 30 June 2009 and 2008, the available credit lines of the Company are as follows:

2009					
Credit	Limit	Amount outstanding	Amount available	Maturity	
				Until 12 months	More than 12 months
Commercial paper	250.000.000	230.000.000	20.000.000		x
Commercial paper	70.000.000	33.000.000	37.000.000		x
Overdraft facilities	15.000.000	8.435.000	6.565.000	x	
Bond loan	150.000.000	150.000.000	-		x
	485.000.000	421.435.000	63.565.000		

2008					
Credit	Limit	Amount outstanding	Amount available	Maturity	
				Until 12 months	More than 12 months
Commercial paper	250,000,000	207,500,000	42,500,000		x
Commercial paper	70,000,000	-	70,000,000		x
Overdraft facilities	15,000,000	-	15,000,000	x	
Bond loan	150,000,000	150,000,000	-		x
	485,000,000	357,500,000	127,500,000		

At 30 June 2009, there are no interest rate hedging instruments. At 30 June 2008, the interest rate hedging instruments and their fair values, calculated by the method of discounted future cash flows, were:

2008						
Company	Hedged loan	Notional amount	Maturity date	Base rate	Fixed rate contracted	Fair value of the derivative instruments
Sonaecom	Commercial paper	110,000,000	Mar-09	Euribor 6m	4.365%	(625,806)
Sonaecom	Bond loan	75,000,000	Jun-09	Euribor 6m	4.565%	(542,778)
						<u>(1,168,584)</u>

In September 2007, Sonaecom contracted 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 was on 13 March 2009.

In December 2007 Sonaecom contracted 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 was on 21 June 2009.

During the semester ended at 30 June 2009, the movements occurred in the fair value of the swaps related to the Commercial Paper Programme, in the amount of Euro 174,106 negative and to the Bond loan, in the amount of Euro 481,174, were recorded in reserves, as the hedging is effective, in accordance with IAS 39.

During the semester ended at 30 June 2009, the interest rate hedging instruments reached their maturity. Therefore, at 30 June 2009 the total gross debt is exposed to changes in the interest rates.

b. Short-term loans and other loans

The caption 'Short-term loans and other loans', at 30 June 2009 and 2008, in the amount of Euro 86,045,928 and Euro 14,465,000, respectively, related to treasury applications received from subsidiaries and overdraft facilities and was composed as follows:

	2009	2008
Sonaecom SC	71,305,743	-
Digitmarket - Sistemas de Informação, S.A. ("Digitmarket")	3,460,982	2,660,000
Be Towering - Gestão de Torres de Telecomunicações, S.A. ("Be Towering")	1,370,201	6,250,000
Miauger	811,382	615,000
Mainroad - Serviços em Tecnologias de Informação, S.A. ("Mainroad")	568,153	1,940,000
Sonae Telecom	47,109	380,000
Sonae com SI	41,594	2,620,000
Público - Comunicação Social, S.A. ("Público")	4,758	-
Saphety Level - Trusted Services, S.A. ("Saphety")	1,006	-
	<u>77,610,928</u>	<u>14,465,000</u>

Funding entity	Type	Amount outstanding	
		2009	2008
Banco CGD	Overdraft facilities	8,435,000	-

The treasury applications received from Group companies are payable in less than one year and earn interest at market rates. During the semesters ended at 30 June 2009 and 2008, the treasury applications earned an average interest rate of 1.45% and 4.23%, respectively.

13. Provisions and accumulated impairment losses

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

Heading	Opening balance	2009					Closing balance
		Increases	Transfers	Utilisations	Decreases		
Accumulated impairment losses on accounts receivables (Note 8)	2,006	14	-	-	(90)		1,930
Accumulated impairment losses on investments in Group companies (Notes 5 and 15)	45,977,902	632,000	-	-	-		46,609,902
Accumulated impairment losses on other non current assets (Notes 6 and 15)	15,335,423	6,868,000	-	-	-		22,203,423
Provisions for other liabilities and charges	57,265	457,369	-	-	-		514,634
	<u>61,372,596</u>	<u>7,957,383</u>	<u>-</u>	<u>-</u>	<u>(90)</u>		<u>69,329,889</u>

Heading	2008					Closing balance
	Opening balance	Increases	Transfers	Utilisations	Decreases	
Accumulated impairment losses on accounts receivables (Note 8)	806	153	-	-	-	959
Accumulated impairment losses on investments in Group companies (Notes 5 and 15)	10,448,902	-	35,529,000	-	-	45,977,902
Accumulated impairment losses on other non current assets (Notes 6 and 15)	40,590,703	4,573,720	(35,529,000)	-	-	9,635,423
Provisions for other liabilities and charges	23,706	2,500	-	-	-	26,206
	<u>51,064,117</u>	<u>4,576,373</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,640,490</u>

The increases in provisions and impairment losses are recorded against the caption 'Provisions and impairment losses' in the profit and loss statement with the exception of the impairment losses in other current assets, which, due to their nature, are recorded as a financial expense in the caption 'Gains and losses on group companies'.

The increase in 'Provisions for other liabilities and charges' includes the amount of Euro 7,369 registered in the financial statements, under the caption 'Income taxation'. Therefore, the amount registered in the profit and loss statement, in the heading 'Provisions and impairment losses', corresponds to Euro 450,014.

14. External supplies and services

At 30 June 2009 and 2008, this caption was made up as follows:

	2009	2008
Specialized works	931,065	843,943
Rents	198,925	161,952
Fees	164,060	148,689
Travelling costs	91,509	207,911
Other external supplies and services	213,160	199,736
	<u>1,598,719</u>	<u>1,562,232</u>

15. Financial results

Net financial results for the semesters ended at 30 June 2009 and 2008 are made up as follows:

	2009	2008
Gains and losses on investments in Group companies		
Losses related to Group companies (Notes 5 and 13)	(7,500,000)	(4,573,720)
Gains related to Group companies	3,480,000	21,414,813
	<u>(4,020,000)</u>	<u>16,841,093</u>
Other financial expenses:		
Interest expenses		
Bank loans	(3,447,320)	(4,616,665)
Other loans	(3,794,086)	(4,651,625)
Overdrafts and others	(30,946)	(38,236)
	<u>(7,272,352)</u>	<u>(9,306,525)</u>
Foreign currency exchange losses	(262)	-
Other financial expenses		
Others	(46,632)	(12,388)
	<u>(46,632)</u>	<u>(12,388)</u>
	<u>(7,319,246)</u>	<u>(9,318,913)</u>
Other financial income:		
Interest income	5,573,771	14,264,720
Foreign currency exchange gains	-	531
	<u>5,573,771</u>	<u>14,265,251</u>

At 30 June 2009, the caption 'Gains related to Group companies' corresponds to dividends received from Sonae com SI and Sonae Telecom. At 30 June 2008, this caption was comprised by dividends received from Sonaecom – Serviços de Comunicações, S.A..

16. Related parties

The most significant balances and transactions with related parties (which are detailed in the appendix) at 30 June 2009 and 2008 were as follows:

Balances at 30 June 2009					
	Accounts receivable	Accounts payable	Treasury applications	Other assets/ (liabilities)	Loans granted/ (obtained)
Be Artis	1,541,447	589	-	727,448	325,170,000
Sonaecom BV	80,766,357	-	-	218,566	130,197,000
Sonaetelecom BV	156,683	-	-	45,500	28,246,000
Sonaecom SC	559,026	95,562	988,000	5,516,735	(71,305,743)
Digitmarket	3,172	1,505	-	(2,065)	(3,460,982)
Be Towering	21,207	-	-	840,276	(1,370,201)
Lugar Virtuais	4,365	-	1,050,000	(87,392)	900,000
Público	9,974	-	1,070,000	5,583	(4,758)
Wedo	61,743	-	9,658,000	599,343	-
Others	31,161	53,568	-	(347,806)	(1,369,245)
	<u>83,155,135</u>	<u>151,224</u>	<u>12,766,000</u>	<u>7,516,188</u>	<u>407,002,071</u>

Balances at 30 June 2008					
	Accounts receivable	Accounts payable	Treasury applications	Other assets/ (liabilities)	Loans granted/ (obtained)
Sonaecom SC	3,812,008	146,489	41,626,000	3,452,613	228,795,000
Sonaecom BV	1,572,417	80,000	-	402,092	116,127,000
Be Artis	706,063	488	-	524,306	135,860,000
Sonaetelecom BV	474,017	-	-	161,939	35,725,000
MCH SGPS	88,219	4,838	-	-	-
Público	16,186	363	2,775,000	36,348	-
Tele 2	15,215	-	1,240,000	4,379	961,782
Wedo	11,263	-	12,125,000	405,180	-
Sonae com SI	9,861	4,766	-	(61,343)	(2,230,000)
Others	65,680	228,195	-	(195,891)	(11,845,000)
	<u>6,770,929</u>	<u>465,139</u>	<u>57,766,000</u>	<u>4,729,623</u>	<u>503,393,782</u>

Transactions in the semester ended at 30 June 2009				
	Sales and services rendered	External supplies and services	Interest and similar income/ (expense)	Supplementary income
Be Artis	156,671	1,505	3,095,225	(42)
Sonaecom BV	-	-	1,711,881	-
Sonaecom SC	3,225,829	(760,865)	38,025	-
Público	67,578	(270)	1,503	-
Wedo	92,206	-	130,264	-
Sonae	-	200,568	(2,739)	(5,220)
Be Towering	30,028	(83,347)	(54,213)	-
Others	25,684	57,775	280,742	(515)
	<u>3,597,996</u>	<u>(584,634)</u>	<u>5,200,688</u>	<u>(5,777)</u>

Transactions in the semester ended at 30 June 2008				
	Sales and services rendered	External supplies and services	Interest and similar income/ (expense)	Supplementary income
Sonaecom SC	3,402,460	680,720	7,990,544	5,983
Público	82,220	2,121	66,853	635
Wedo	55,850	-	295,197	900
Be Artis	-	684	1,362,688	(413)
Sonaecom BV	-	-	3,150,633	-
Star-Viagens e Turismo	-	165,804	-	-
Sonaetelecom BV	-	-	904,315	-
Others	29,820	9,634	(285,291)	13,543
	<u>3,570,351</u>	<u>858,963</u>	<u>13,484,939</u>	<u>20,648</u>

All the above transactions were made at market prices.

17. Guarantees provided to third parties

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

Beneficiary	Description	2009	2008
BBVA – Portugal, ING Belgium Portugal e Millennium BCP	Commercial paper	320,000,000	320,000,000
Direcção de Contribuições e Impostos (Portuguese tax authorities)	VAT Reimbursements	8,098,449	5,499,720
		<u>328,098,449</u>	<u>325,499,720</u>

18. Earnings per share

Earnings per share, basic and diluted, are calculated by dividing the net income of the semester (Euro 6,007,066 negative in 2009 and Euro 21,366,009 in 2008) by the average number of shares outstanding during the semesters ended at 30 June 2009 and 2008, net of own shares (Euro 360,070,542 in 2009 and Euro 364,658,315 in 2008).

19. Medium Term Incentive Plans

In June 2000, the Company created a discretionary Medium Term Incentive Plans 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 Company. In some annual plans, beneficiaries can chose between options or shares. Options are valued using the Black Scholes options pricing Model.

The Sonaecom plans outstanding at 30 June 2009 can be summarized as follows:

	Share price at award date *	Vesting period		30-Jun-09	
		Award date	Vesting date	Aggregate number of participants	Number of options/ shares
Sonaecom shares					
2005 Plan	4.093	10-Mar-06	09-Mar-09	-	-
2006 Plan	4.697	09-Mar-07	08-Mar-10	19	97,731
2007 Plan	2.447	10-Mar-08	09-Mar-11	20	233,041
2008 Plan	1.117	10-Mar-09	09-Mar-12	19	486,735
Sonae SGPS shares					
2005 Plan	1.34	10-Mar-06	09-Mar-09	-	-
2006 Plan	1.68	09-Mar-07	08-Mar-10	3	95,019
2007 Plan	1.16	10-Mar-08	09-Mar-11	4	201,295
2008 Plan	0.616	10-Mar-09	09-Mar-12	4	415,016

* 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 3rd March and 5th April 2007; Sonae SGPS shares - The average share price between 13rd February and 26th 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 semester ended at 30 June 2009, the movements occurred in the plans can be summarised as follows:

	Sonaecom shares		Sonae SGPS shares	
	Aggregate number of participants	Number of shares	Aggregate number of participants	Number of shares
Outstanding at 31.12.2008				
Exercisable	-	-	-	-
Unvested	60	464,852	13	434,641
Total	60	464,852	13	434,641
Movements in the semester				
Awarded	20	550,782	5	456,902
Vested	(20)	(86,440)	(4)	(93,747)
Cancelled/Transfer /Elapsed*	(2)	(111,687)	(3)	(86,466)
Outstanding at 30.06.2009				
Exercisable	-	-	-	-
Unvested	58	817,507	11	711,330
Total	58	817,507	11	711,330

*The adjustments are made for dividends paid and for share capital changes.

For Sonaecom's share plans, the responsibility was calculated taking into consideration the share price at 2 January 2009, the date as from which the change to the form of settlement of the share plans is effective, with the exception of the plan attributed in 2009, which responsibility is calculated based on the corresponding award date. The total responsibility for the mentioned plans is Euro 228,527 and was recorded under the heading 'Medium Term Incentive Plans Reserve'. For the Sonae SGPS share plan, the Group entered into hedging contracts with external entities, and the liabilities are calculated based on the prices agreed on those contracts and recorded under the headings of 'Other current liabilities' and 'Other non current liabilities', by an amount of Euro 274,271.

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

	Value
Costs recognised in previous years	3,464,650
Costs recognised in the semester	182,554
Costs of plans vested on previous years	(2,909,118)
Costs of plans vested in the semester	(235,289)
	502,798
Recorded in Other current liabilities	140,786
Recorded in Other non current liabilities	133,485
Recorded in Reserves	228,527

During the semester ended at 30 June 2009, the Company converted the settlement of its Medium Term Incentive Plans from settlement in cash to settlement in shares.

20. Others matters

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, S.A. at 70% of its actual value. Maxistar has appealed against the decision of the Arbitration Court but that appeal was 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 were paid to Sonaecom.

The 'Tribunal da Relação de Lisboa' rejected the 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 semester ended at 30 June 2009, the decision has become final.

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

APPENDIX

At 30 June 2009, the related parties of Sonaecom, S.G.P.S, are as follows:

Key management personnel	
Álvaro Carmona e Costa Portela	Jean François Pontal
Álvaro Cuervo Garcia	Luís Filipe Campos Dias Castro Reis
Ângelo Gabriel Ribeirinho dos Santos Paupério	Luís Filipe Palmeira Lampreia
António Bernardo Aranha da Gama Lobo Xavier	Maria Cláudia Teixeira de Azevedo
António de Sampaio e Mello	Michel Marie Bon
Belmiro de Azevedo	Miguel Nuno Santos Almeida
David Hobley	Nuno Manuel Moniz Trigosso Jordão
Duarte Paulo Teixeira de Azevedo	Nuno Miguel Teixeira Azevedo
Franck Emmanuel Dangeard	Pedro Miguel Freitas Ramalho Carlos
Gervais Pellissier	

Sonaecom Group Companies	
Be Artis-Concepção ,Construção e Gestão	Sonae Telecom , S.G.P.S., S.A.
Redes Comunicações ,S.A.	Sonae.com - Sistemas Informação, S.G.P.S., S.A.
Be Towering - Gestão de Torres de	Sonaecom - Serviços de Comunicações, S.A
Telecomunicações, S.A.	Sonaecom, B.V.
Cape Technologies (UK) Limited	Sonaetelecom BV
Cape Technologies Americas, Inc	Sonaecom, S.G.P.S., S.A.
Cape Technologies Limited	Tecnológica Telecomunicações LTDA.
Digitmarket - Sistemas de Informação, SA	Unipress - Centro Gráfico, Lda
Lugar Virtuais, S.A.	VIPU Ace
M3G - Edições Digitais, S.A.	WeDo Consulting - Sistemas de Informação, S.A.
Mainroad - Serviços Tec. Informação, S.A	WeDo Poland Sp. Z.o.o.
Miauger - Organização e Gestão de Leilões	WeDo Technologies Egypt a Limited Liability
Electrónicos., S.A	Company
Permar - Sociedade de Construções, S.A.	WeDo Technologies Mexico, s de R.L. de C.V.
Praesidium Services Limited	WeDo Technologies BV
Praesidium Technologies Limited	WeDo Technologies Australia PTY Limited
Público - Comunicação Social, S.A.	WeDo Technologies (UK) Limited
Saphety Level - Trusted Services, S.A.	WeDo do Brasil - Soluções Informáticas, Ltda
Sociedade Independente de Radiodifusão	WeDo Technologies BV - Sucursal Malaysia
Sonora, S.A.	

Sonae/Efanor Group Companies	
3DO Holding GmbH	Centro Residencial da Maia,Urbân.,S.A.
3DO Shopping Centre GmbH	Centro Vasco da Gama-Centro Comercial,S.A.
3shoppings - Holding,SGPS, S.A.	Change, SGPS, S.A.
Aegean Park,S.A.	Chão Verde-Soc.Gestora Imobiliária,S.A.
Agepan Eiweiler Management GmbH	Choice Car - Comércio de Automóveis, S.A.
Agepan Flooring Products, S.A.RL	Choice Car SGPS, S.A.
Agepan Tarket Laminate Park GmbH Co. KG	Cia.de Industrias e Negócios,S.A.
Aglom Investimentos, Sgps, S.A.	Cinclus Imobiliária,S.A.
Aglom-Soc.Ind.Madeiras e Aglom.,S.A.	Citorres-Sociedade Imobiliária,S.A.
Águas Furtadas - Imobiliária, S.A.	Clérigosshopping- Gestão do C.Comerc.,S.A.
Airone - Shopping Center, Srl	Coimbrashopping- Centro Comercial, S.A.
ALEXA Administration GmbH	Colombo Towers Holding, BV
ALEXA Holding GmbH	Contacto Concessões, SGPS, S.A.
ALEXA Shopping Centre GmbH	Contibomba-Comérc.Distr.Combustíveis,S.A.
Alexa Site GmbH & Co. KG	Contimobe-Imobil.Castelo Paiva,S.A.
Algarveshopping- Centro Comercial, S.A.	Continente Hipermercados, S.A.
Andar - Sociedade Imobiliária, S.A.	Country Club da Maia-Imobiliária,S.A.
Aqualuz - Turismo e Lazer, Lda	Craiova Mall BV
Aquapraia - Investimentos Turísticos,S.A.	Cronosaúde - Gestão Hospitalar, S.A.
Arat inmebles, S.A.	Cumulativa - Sociedade Imobiliária, S.A.
Arrábidasshopping- Centro Comercial, S.A.	Darbo S.A.S
Aserraderos de Cuellar,S.A.	Developpement & Partenariat Assurances, S.A.
Atlantic Ferries-Tráf.Loc,Flu.e Marít,S.A.	Difusão-Sociedade Imobiliária,S.A.
Avenida M-40 B.V.	Distrifin-Comercio y Prest.Servicios,S.A.
Avenida M-40,S.A.	DMJB, SGPS, S.A.
Azulino Imobiliária, S.A.	Dortmund Tower GmbH
Bertimóvel - Sociedade Imobiliária, S.A.	Dos Mares - Shopping Centre B.V.
Best Offer-Prest. Inf. p/Internet,S.A.	Dos Mares-Shopping Centre, S.A.
Bikini, Portal de Mulheres,S.A.	Ecociclo - Energia e Ambiente, S.A.
Bloco Q-Sociedade Imobiliária,S.A.	Ecociclo II - Energias, S.A.
Bloco W-Sociedade Imobiliária,S.A.	Edições Book.it, S.A.
Boavista Shopping Centre BV	Edifícios Saudáveis Consultores, S.A.
Boulanger España, SL	Efanor Investimentos, SGPS, S.A.
Box Lines Navegação,S.A.	Efanor Serviços de Apoio à Gestão, S.A.
Campo Limpo, Lda	Efanor-Design e Serviços,S.A.
Canasta-Empreendimentos Imobiliários,S.A.	Efanor-Indústria de Fios,S.A.
Carnes do Continente-Ind.Distr.Carnes,S.A.	El Rosal Shopping, S.A.
CarPlus – Comércio de Automóveis, S.A.	Empreend.Imob.Quinta da Azenha,S.A.
Casa Agrícola de Ambrães, S.A.	Equador & Mendes,Lda
Casa Agrícola João e A. Pombo, S.A.	Espimaia -Sociedade Imobiliária,S.A.
Casa da Ribeira - Hotelaria e Turismo,S.A.	Estação Oriente-Gest.de Galerias Com.,S.A.
Cascaishopping- Centro Comercial, S.A.	Estação Viana- Centro Comercial, S.A.
Cascaishopping Holding I, SGPS, S.A.	Estêvão Neves-Hipermercados Madeira,S.A.
Centro Colombo- Centro Comercial, S.A.	Etablissement A. Mathe, S.A.

Euro Decorative Boards,Ltd Euromegantic,Lteé Euroresinas-Indústrias Químicas,S.A. Farmácia Selecção, SA Finlog - Aluguer e Comércio de Automóveis, S.A. 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 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, Srl Gli Orsi Shopping Centre 1 Srl Global S-Hipermercado,Lda Glanz AG Glanz Service GmbH Glanz UK Holdings Ltd Glanz Uka GmbH Golf Time-Golfe e Invest. Turísticos, S.A. Guerin – Rent a Car (Dois), Lda. GuimarãesShopping- Centro Comercial, S.A. 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. Imoarea - Invest. Turísticos, SGPS, S.A. Imobiliária da Cacela, S.A. Imoclub-Serviços Imobiliários,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. ImoplamaG Gestão de Imóveis,S.A. Imoponte-Soc.Imobiliária,S.A. Imoresort - Sociedade Imobiliária, S.A. Imoresultado-Soc.Imobiliária,S.A.	Imosedas-Imobiliária e Serviços,S.A. Imosistema-Sociedade Imobiliária,S.A. Imosona II Impaper Europe GmbH & Co. KG Implantação - Imobiliária, S.A. Infocfield-Informática,S.A. Inparsi - Gestão Galeria Comercial, S.A. Inparvi SGPS, S.A. Insulatroia - Sociedade Imobiliária, S.A. Integrum-Edifícios Sustentáveis,SA Integrum-Serviços Partilhados,S.A. Interclean, S.A. Interlog-SGPS,S.A. Inventory-Acessórios de Casa,S.A. Investalentejo, SGPS, S.A. Invsau de - Gestão Hospitalar, S.A. Ipaper-Industria Papeis Impregnados,S.A. ISF - Imobiliário, Serviços e Participaç Isoroy SAS KLC Holdings XII SA La Farga - Shopping Center, SL Larissa Develop. Of Shopping Centers, S.A. Lazam Corretora, Ltda. 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. Maiequipa-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 Marmagno-Expl.Hoteleira Imob.,S.A. Martimope - Sociedade Imobiliária, S.A. Marvero-Expl.Hoteleira Imob.,S.A. MC Property Management S.A.
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MDS Corretor de Seguros, S.A.	Pátio Penha Shopping Ltda.
Mediterranean Cosmos Shop. Centre Investments,	Pátio São Bernardo Shopping Ltda
Megantic BV	Pátio Sertório Shopping Ltda
MJLF-Empreendimentos Imobiliários, S.A.	Peixes do Continente-Ind.Dist.Peixes,S.A.
Modalfa-Comércio e Serviços,S.A.	PHARMACONTINENTE - Saúde e Higiene, S.A.
Modelo - Dist.de Mat. de Construção,S.A.	PJP - Equipamento de Refrigeração, Lda
Modelo Cont. Seguros-Soc. De Mediação, Lda	Plaza Eboli B.V.
Modelo Continente - Oper.Retalho SGPS,S.A.	Plaza Eboli - Centro Comercial S.A.
Modelo Continente Hipermercados,S.A.	Plaza Mayor Holding, SGPS, S.A.
Modelo Continente, SGPS,S.A.	Plaza Mayor Parque de Ócio B.V.
Modelo Hiper Imobiliária,S.A.	Plaza Mayor Parque de Ocio,S.A.
Modelo Hipermercados Trading, S.A.	Plaza Mayor Shopping B.V.
Modelo.com-Vendas p/Correspond.,S.A.	Plaza Mayor Shopping, S.A.
Monselice Centre Srl	Ploi Mall BV
Movelpartes-Comp.para Ind.Mobiliária,S.A.	Ploiesti Shopping Center (Euro)
Movimento Viagens-Viag. e Turismo U.Lda	Poliface Brasil, Ltda
Mundo Vip - Operadores Turísticos, S.A.	Poliface North America
NAB, Sociedade Imobiliária,S.A.	Porturbe-Edifícios e Urbanizações,S.A.
NA-Comércio de Artigos de Desporto, S.A.	Praedium II-Imobiliária,S.A.
NA-Equipamentos para o Lar, S.A.	Praedium III-Serviços Imobiliários,S.A.
Norscut - Concessionária de Scut Interior Norte,	Praedium SGPS, S.A.
Norte Shop. Retail and Leisure Centre BV	Predicomercial-Promoção Imobiliária,S.A.
Norteshopping-Centro Comercial, S.A.	Prédios Privados Imobiliária,S.A.
Nova Equador Internacional,Ag.Viag.T,Ld	Predisedas-Predial das Sedas,S.A.
Nova Equador P.C.O. e Eventos	Pridelease Investments, Ltd
Novobord (PTY) Ltd.	Proj. Sierra Germany 1 - Shop.C. GmbH
Oeste Retail Park - Gestão G.Comerc., S.A.	Proj. Sierra Germany 4 (four)-Sh.C.GmbH
Operscut - Operação e Manutenção de Auto-estradas, S.A.	Proj. Sierra Italy 2 - Dev.of Sh.C. Srl
OSB Deutschland GmbH	Proj.Sierra 1 - Shopping Centre GmbH
Paracentro - Gest.de Galerias Com., S.A.	Proj.Sierra Germany 2 (two)-Sh.C.GmbH
Pareuro, BV	Proj.Sierra Germany 3 (three)-Sh.C.GmbH
Pargeste SGPS, S.A.	Proj.Sierra Hold. Portugal V, SGPS,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
Parque D. Pedro 1 B.V.	Proj.Sierra Italy 3 - Shop. Centre Srl
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.
	Project 4, Srl

Project SC 1 BV	Saúde Atlântica - Gestão Hospitalar, S.A.
Project SC 2 BV	SC Aegean B.V.
Project Sierra 1 B.V.	SC Insurance Risks Services, SGPS, S.A.
Project Sierra 10 BV	SC Mediterraneum Cosmos B.V.
Project Sierra 2 B.V.	SC-Consultadoria, S.A.
Project Sierra 3 BV	SC-Eng. e promoção imobiliária, SGPS, S.A.
Project Sierra 4 BV	SCS Beheer, BV
Project Sierra 5 BV	Selfrio, SGPS, S.A.
Project Sierra 6 BV	Selfrio-Engenharia do Frio, S.A.
Project Sierra 7 BV	Selifa- Empreendimentos Imobiliários, S.A.
Project Sierra 8 BV	Sempre à Mão - Sociedade Imobiliária, S.A.
Project Sierra 9 BV	Sempre a Postos - Produtos Alimentares e Utilidades , Lda
Project Sierra Brazil 1 B.V.	Serra Shopping - Centro Comercial, S.A.
Project Sierra Charagionis 1 S.A.	Sesagest-Proj. Gestão Imobiliária, S.A.
Project Sierra Germany Shop. Center 1 BV	Sete e Meio - Invest. Consultadoria, S.A.
Project Sierra Germany Shop. Center 2 BV	Sete e Meio Herdades-Inv. Agr. e Tur., S.A.
Project Sierra Italy 5 Srl	Shopping Centre Colombo Holding, BV
Project Sierra One Srl	Shopping Centre Parque Principado B.V.
Project Sierra Spain 1 B.V.	Shopping Penha B.V.
Project Sierra Spain 2 B.V.	Siaf-Soc. Iniciat. Aprov. Florestais, S.A.
Project Sierra Spain 2-Centro Comer. S.A.	SIAL Participações Ltda
Project Sierra Spain 3 B.V.	Sic Indoor - Gestão de Suportes Publicitários,
Project Sierra Spain 3-Centro Comer. S.A.	Sierra Asset Management Luxemburg, Sarl
Project Sierra Spain 5 BV	Sierra Asset Management-Gest. Activos, S.A.
Project Sierra Spain 6 B.V.	Sierra Brazil 1 B.V.
Project Sierra Spain 6-Centro Comer. SA	Sierra Charagionis Develop.Sh. Centre S.A.
Project Sierra Spain 7 B.V.	Sierra Charagionis Propert. Management S.A.
Project Sierra Spain 7-Centro Comer. SA	Sierra Corporate Services- Ap. Gestão, S.A.
Project Sierra Srl	Sierra Corporate Services Holland, BV
Project Sierra Srl	Sierra Develop. Iberia 1, Prom. Imob., S.A.
Project Sierra Three Srl	Sierra Development Greece, S.A.
Project Sierra Two Srl	Sierra Developments Germany GmbH
Promessa Sociedade Imobiliária, S.A.	Sierra Developments Germany Holding B.V.
Prosa-Produtos e serviços agrícolas, S.A.	Sierra Developments Holding B.V.
Publimeios-Soc. Gestora Part. Finan., S.A.	Sierra Developments Italy S.r.l.
Racionaliz. y Manufact. Florestales, S.A.	Sierra Developments Services Srl
RASO, SGPS, SA	Sierra Developments Spain-Prom. C.Com. SL
Resoflex-Mob.e Equipamentos Gestão, S.A.	Sierra Developments, SGPS, S.A.
Resolução, SGPS, S.A.	Sierra Developments-Serv. Prom. Imob., S.A.
Rio Sul - Centro Comercial, S.A.	Sierra Enplanta Ltda
River Plaza Mall, Srl	Sierra European R.R.E. Assets Hold. B.V.
Rochester Real Estate, Limited	Sierra GP Limited
S. C. Setler Mina Srl	Sierra Investimentos Brasil Ltda
S.C. Microcom Doi Srl	

Sierra Investments (Holland) 1 B.V.	Sonae Indústria Brasil, Ltda
Sierra Investments (Holland) 2 B.V.	Sonae Industria de Revestimentos, S.A.
Sierra Investments Holding B.V.	Sonae Indústria-SGPS, S.A.
Sierra Investments SGPS, S.A.	Sonae International, Ltd
Sierra Italy Holding B.V.	Sonae Investments, BV
Sierra Man.New Tech.Bus.-Serv.Comu.CC, S.A.	Sonae Novobord (PTY) Ltd
Sierra Management Germany GmbH	Sonae RE, S.A.
Sierra Management Hellas SA	Sonae Retalho Espana-Servicios Gen., S.A.
Sierra Management II-Gestão de C.C. S.A.	Sonae Serviços de Gestão, S.A.
Sierra Management Italy S.r.l.	Sonae SGPS, S.A.
Sierra Management Portugal-Gest. CC, S.A.	Sonae Sierra Brasil Ltda
Sierra Management Spain-Gestión C.Com.S.A.	Sonae Sierra Brazil B.V.
Sierra Management, SGPS, S.A.	Sonae Sierra, SGPS, S.A.
Sierra Portugal Fund, Sarl	Sonae Tafibra (UK), Ltd
Sierra Property Management, Srl	Sonae Tafibra Benelux, BV
SII - Soberana Invest. Imobiliários, S.A.	Sonae Turismo Gestão e Serviços, S.A.
Sistavac-Sist.Aquecimento, V.Ar C., S.A.	Sonae Turismo-SGPS, S.A.
SKK-Central de Distr., S.A.	Sonae UK, Ltd.
SKKFOR - Ser. For. e Desen. de Recursos	Sonaecenter Serviços, SA
SMP-Serv. de Manutenção Planeamento	Sonaegest-Soc.Gest.Fundos Investimentos
Soc.Inic.Aproveit.Florest.-Energias, S.A.	Sondis Imobiliária, S.A.
Sociedade de Construções do Chile, S.A.	Sontaria-Empreend.Imobiliários, S.A.
Sociedade Imobiliária Troia - B3, S.A.	Sontel Bv
Société de Tranchage Isoroy S.A.S.	Sontur BV
Société des Essences Fines Isoroy	Sonvecap BV
Société Industrielle et Financière Isoroy	Sopair, S.A.
Socijofra-Sociedade Imobiliária, S.A.	Sótaqua - Soc. de Empreendimentos Turist
Sociloures-Soc.Imobiliária, S.A.	Spanboard Products, Ltd
Soconstrução BV	Spinarg, S.A.
Sodesa, S.A.	Spinveste - Promoção Imobiliária, S.A.
Sofflorin, BV	Spinveste-Gestão Imobiliária SGII, S.A.
Soira-Soc.Imobiliária de Ramalde, S.A.	Sport Zone-Comércio Art.Desporto, S.A.
Sol Retail Park - Gestão G.Comerc., S.A.	SRP Development, SA
Solaris Supermercados, S.A.	SRP-Parque Comercial de Setúbal, S.A.
Solinca III-Desporto e S.A.úde, S.A.	Star-Viagens e Turismo, S.A.
Solinca-Investimentos Turísticos, S.A.	Tableros Tradema, S.L.
Solinfitness - Club Malaga, S.L.	Tafiber, Tableros de Fibras Ibéricas, SL
Soltroia-Imob.de Urb.Turismo de Tróia, S.A.	Tafibras Participações, S.A.
Somit Imobiliária, S.A.	Tafisa Brasil, S.A.
Sonae Capital Brasil, Lda	Tafisa Canadá Societé en Commandite
Sonae Capital, SGPS, S.A.	Tafisa France, S.A.
Sonae Center Serviços, SA	Tafisa UK, Ltd
Sonae Financial Participations BV	Tafisa-Tableros de Fibras, S.A.
Sonae Ind., Prod. e Com.Deriv.Madeira, 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. 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 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 Group Companies	
France Telecom, S.A.	Atlas Services Belgium, SA.

12.5. External Auditor Report

LIMITED REVIEW REPORT PREPARED BY AN AUDITOR REGISTERED AT
CMVM ON HALF-YEAR INFORMATION

(Translation of a report originally issued in Portuguese)

Introduction

1. In accordance with the Securities Market Code, we hereby present our Limited Review Report on the financial information of SONAE COM, S.G.P.S., S.A. ("Company") for the half-year ended 30 June 2009 included in: the Board of Director's Report, in the consolidated and individual Balance sheets (that reflect a total of 1,957,247,751 Euro and 1,644,366,762 Euro, respectively, and a consolidated and individual equity of 930,800,206 Euro and 1,144,173,609 Euro respectively, including a consolidated profit attributable to the Company's shareholders of 1,419,771 Euro and an individual net loss of 6,007,066 Euro, respectively), in the consolidated and individual Statements of results, movements in shareholder's funds and cash flows for the half-year then ended and in the related notes.
2. The amounts in the financial statements, as well as the additional financial information, are in accordance with the accounting records of the companies included in the consolidation.

Responsibilities

3. The Company's Board of Directors is responsible for: (i) the preparation of consolidated and individual financial information that present a true and fair view of the financial position of the Company and of the companies included in the consolidation, the consolidated and individual results of their operations, the consolidated and individual movements in shareholders' funds and the consolidated and individual cash flows; (ii) the preparation of historical financial statements in accordance with the International Financial Reporting Standards as adopted by the European Union and that is complete, true, up-to-date, clear, objective and licit, as required by the Securities Market Code; (iii) the adoption of adequate accounting policies and criteria; (iv) the maintenance of an appropriate internal control system; and (v) informing any significant facts that have influenced their operations and the operations of the companies included in the consolidation, its financial position and its results.
4. Our responsibility is to verify the consolidated and individual financial information included in the documents of account referred to above, namely if, in all material respects, the information is complete, true, up-to-date, clear, objective and licit, as required by the Securities Market Code, and to issue a moderate assurance, professional and independent report on that financial information based on our work.

Scope

5. Our work was performed with the objective of obtaining moderate assurance as to whether the above mentioned financial information is free of material misstatement. Our work was performed in accordance with the Auditing Standards issued by the Portuguese Institute of Statutory Auditors, was planned in accordance with that objective, and consisted essentially of enquiries and analytical procedures with the objective of reviewing: (i) the reliability of the assertions included in the consolidated and individual financial information; (ii) the adequacy of the accounting principles used, taking into consideration the circumstances and the consistency of their application; (iii) the applicability, or not, of the going concern concept; (iv) the presentation of the consolidated and individual financial information; and (v) whether, in all material respects, the financial information is complete, true, up-to-date, clear, objective and licit as required by the Securities Market Code.

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6. Our work also included verifying that the financial information included in the Board of Director's Report is in accordance with the other above mentioned documents of account.
7. We believe that our work provides a reasonable basis for issuing the present Limited Review Report on the half-year financial information.

Opinion

8. Based on our work, which was performed with the objective of obtaining moderate assurance, nothing came to our attention that leads us to believe that the consolidated and individual financial information for the half-year ended 30 June 2009 referred to in paragraph 1 above of SONAE COM, S.G.P.S., S.A. is not exempt from material misstatement that affects its conformity with International Financial Reporting Standards as adopted by the European Union, for the purposes of interim financial reporting (IAS 34), and that, in terms of the definitions included in the Auditing Standards referred to in paragraph 5 above, it is not complete, true, up-to-date, clear, objective and licit.

Porto, 30 July 2009

Deloitte & Associados, SROC, S.A.
Represented by Jorge Manuel Araújo de Beja Neves

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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Sonaecom SGPS is listed on the Euronext Stock Exchange.
Information is available on Reuters under the symbol
"SNC.LS" and on Bloomberg under the symbol "SNC:PL".

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