SONAECOM

Management Report and Accounts

9M11

Note: The Consolidated Financial Information contained in this report was unaudited 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.

Highlights

- Consolidated turnover reaching 650.3 million euros
- EBITDA growing to 164.0 million euros
- EBITDA-operating Capex of 98.2 million euros
- Net Results Group Share totalling 57.1 million euros
- FCF reaching 43.6 million euros (28.6 million euros including securitization operation)
- Net Debt to EBITDA improving to 1.3x

'The collective effort of the Sonaecom team once again led to a remarkable set of results, particularly evident at the Optimus EBITDA level, clearly against the overall telecommunications market trends in Portugal.

Importantly, it was also possible to significantly strengthen Sonaecom's capital structure with the closing of a 100 million euros bonds issue, fully subscribed by international banks, leaving us well placed to face the demanding challenges ahead.'

Ângelo Paupério, Sonaecom of CEO

Our business

From quarter to quarter, we have been increasing the profitability of our operations. The top line performance combined with the ongoing efficiency programme resulted in a robust 10.1% y.o.y. EBITDA growth. The rigorous management of the investments led to EBITDA-operating CAPEX increasing by 59%, to 98.2 million euros. Cash flow generation totalled 28.6 million euros, an achievement even more remarkable if we exclude the 15 million outflow to the securitisation operation. Finally, Sonaecom net results reached 57.1 million euros, 92% above the first nine months of 2010.

At Optimus mobile business, we continued to expand our customer base, growing 2.8% when compared with the same period of 2010. Despite the end of the e-initiatives programme and the general environment of constrained consumption due to austerity measures, we were able to deliver positive net adds in 3Q11, largely offsetting the negative trend registered in the 2Q11. Proving the resiliency of the operation, mobile customer revenues increased by 1.9%, between 9M10 and 9M11, which, coupled with the ongoing efficiency programme, enabled EBITDA to reach 154.9 million euros, 8.7% above last year, and EBITDA margin to reach 36.0%, 3.7pp above 9M10.

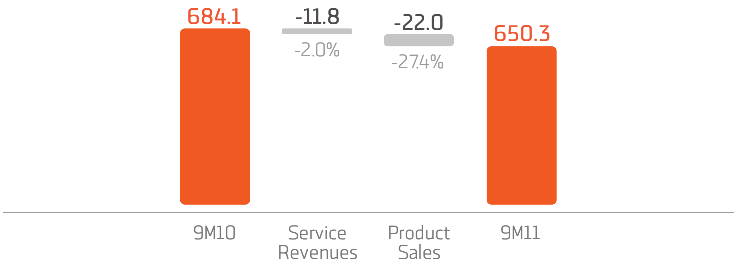
At Optimus wireline business, the positioning in the business segment as an integrated and convergent operator continues to deliver results, allowing us to increase the number of accesses in the first nine months of 2011 by 6.2%. We were already able to accomplish a breakeven level of EBITDA-operating CAPEX in this quarter, as a consequence of a higher EBITDA and lower CAPEX, a positive outcome following decisions we took to balance the profitability of this business.

At SSI, service revenues increased 5.6% in the first nine months of 2011, not totally offsetting the reduction in equipment sales, mainly as a consequence of the termination of the Government's e-initiatives programme and the difficult macro-economic environment.
Principally because of a major contract established during 3Q11, the level of WeDo's international orders increased 27% when compared with the same period of 2010, an encouraging indicator of future activity in the business assurance front.

1. Consolidated results

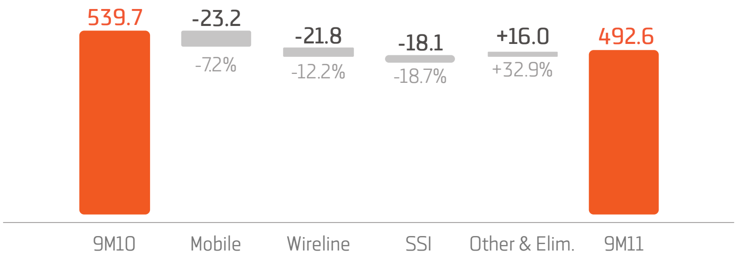
Turnover

Consolidated turnover totalled 650.3 million euros in 9M11, decreasing 4.9% y.o.y.. This evolution was motivated by a 27.4% reduction in product sales and a 7.0% reduction in the level of Optimus operator revenues, as a result of regulated tariffs, MTRs and Roaming in, not totally offset by an increase of 1.9% in mobile customer revenues and an increase of 5.6% in SSI service revenues. As mentioned in the previous quarter, the drop in product sales is mainly caused by the termination of Portuguese Government e-initiatives programme, an evolution already expected by our company.



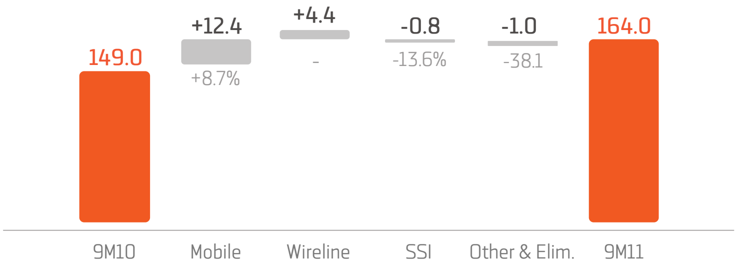
Operating costs

Optimus has been achieving considerable cost optimizations on the back of an ongoing transversal efficiency plan, being implemented across the various business units, passing through customer service, network and IT. All the cost lines, with the exception of provisions, have decreased y.o.y.. As a consequence, the level of operating costs has decreased 8.7% between 9M10 and 9M11, to 492.6 million euros and is now representing about 75.7% of the consolidated turnover. It should be noted that between 9M10 and 9M11, operating costs, excluding provisions, as a percentage of turnover decreased 4.1pp..



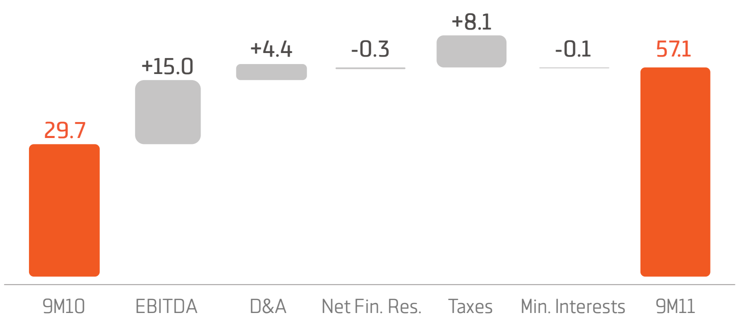
EBITDA

Consolidated EBITDA increased 10.1%, to 164.0 million euros. As a consequence of our performance in terms of revenues and costs, the consolidated EBITDA margin reached 25.2%, 3.4pp above 9M10. This evolution was due to the positive outcomes of Optimus efficiency plan and the positive trend of mobile customer revenues. Also, it is worthwhile mentioning that mobile EBITDA margin reached 36.0% in 9M11, growing 3.7 y.o.y., despite the negative macroeconomic backdrop.



Net profit

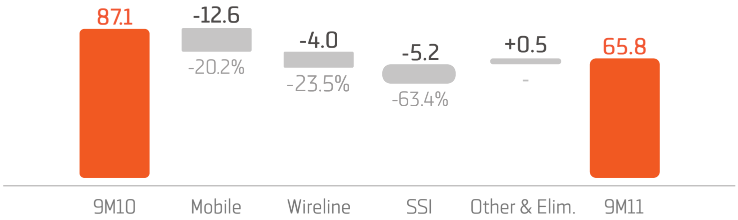
Net results group share reached 57.1 million euros, almost doubling as compared to 9M10, on the back of an improved EBITDA performance, the recognition of additional deferred tax assets, due to EBT performance, and a lower level of depreciation and amortisation. Net financial results decreased 5.2%, to a negative 6.8 million euros. Despite the positive evolution registered in the 3Q11, the average net debt level was higher in 9M11 when compared with the same period of 2010. This effect, coupled with a higher average cost of debt in 9M11, explains the negative performance of net financial results.



The tax line in 9M11showed a cost of 6.3 million euros, against a cost of 14.4 million euros in 9M10. This is due to the recognition of additional deferred tax assets, notwithstanding the higher EBT level.

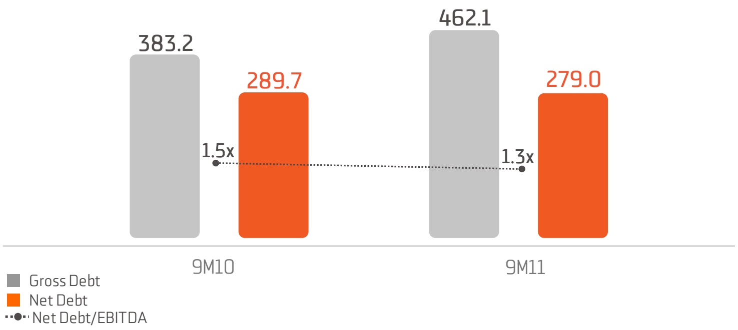
Operating CAPEX

Operating CAPEX reached 65.8 million euros in 9M11, decreasing 24.5% when compared with 9M10, as a consequence of our rigorous CAPEX management, while ensuring a leading edge network.
As a result of our performance in terms of revenues and CAPEX, operating CAPEX as a percentage of turnover has decreased from 12.7% to 10.1%.
EBITDA-operating CAPEX grew to 98.2 million euros, increasing almost 60% compared to 9M10.



Capital structure

Despite the prevailing uncertainty in the financial markets, Sonaecom's comfortable capital structure was further reinforced with the closing of a 100 million euros bonds issue, late September, with three international banks.
Consolidated net debt reached 279.0 million euros, decreasing 3.7% against the same period of 2010. Driven by an improved EBITDA performance and a lower net debt level, the net debt to EBITDA ratio improved to 1.3x in 9M11, from 1.5x in 9M10.
Total credit facilities are now amounting to 544 million euros. In the first nine months of 2011 the all-in average cost of debt reached 2.85%.



With the additional 100 million euros bonds issue, besides the higher diversification of financing sources and the increase of the average maturity of debt, Sonaecom anticipated funds to face the refinancing needs scheduled to 2012.

FCF

Excluding the 15 million euros securitization cash outflow, FCF stood at 43.6 million euros in 9M11, as a consequence of our consistently improved EBITDA-operating CAPEX performance, reflecting an increasingly higher EBITDA and a rigorously managed CAPEX level. Including the securitization operation, consolidated FCF reached 28.6 million euros, more than tripling the 9.4 million euros generated in 9M10 and, importantly, exceeding the 10.6 million euros achieved in full year 2010.

2. Optimus

- **Optimus EBITDA of 57.3 million euros, up by 17.5% when compared to 3Q10**
- **Mobile subscriber base reached 3.64 million customers, up by 2.8% y.o.y.**
- **Optimus mobile EBITDA margin of 36.1% in 3Q11, +4.6pp y.o.y.**
- **Mobile customer revenues continued to rise, to 122.0 million euros, +2.6% y.o.y.**
- **Data revenues increased to 33.0% of mobile service revenues in 3Q11, +2.7pp y.o.y.**

Pursuing efficiency towards benchmark profitability

Reflecting a gradually leaner operation, the Optimus EBITDA reached 57.3 million euros in the 3Q11, a remarkable increase of 17.5% against 3Q10. EBITDA margin, on its own, achieved 29.1% in 3Q11, more 4.7pp against 3Q10.
Optimus has been consistently improving its performance driven by its integrated approach in the business segment, expanding not only the number of accesses but, importantly, the penetration of the convergent offers, and by its leading mobile broadband product, Optimus Kanguru, with its retail success mitigating the impacts caused by the end of e-initiatives programme
Lastly, we are confident that our positioning as an innovative operator that continuously pursues quality of service constitutes the correct strategy to succeed in the market in which we operate.

2.1. Optimus mobile business

The mobile business has been presenting solid growth, achieving a market share growth in service revenues and EBITDA above subscribers' market share. One of the main pillars of this performance is related with Optimus' innovative and leading positioning exploring emerging opportunities, especially in the mobile broadband space, through its advanced infrastrucuture and its rich portfolio of mobile broadband and smartphones. Aligned with Optimus' strategy, it is becoming clearer that technology is driving unprecedented empowerment of people through mobile connected devices. Smartphones and tablets sales already exceed PCs sales and smartphones already surpassed feature phone shipments in Western Europe. Importantly, despite this growth, mobile usage still has an enormous potential to be addressed. Within a virtuous circle, innovation is unleashing the power of mobile, leveraging the benefits of real time and localization, exploring applications that range from payments to social networks.

2.1.1. Operational data

MOBILE OPERATIONAL KPI's	3Q10	3Q11	Δ 11/10	2Q11	q.o.q.	9M10	9M11	Δ 11/10
Customers (EOP) ('000)	3,541.1	3,638.6	2.8%	3,586.4	1.5%	3,541.1	3,638.6	2.8%
Net Additions ('000)	71.8	52.2	-27.3%	-19.4	-	108.5	34.5	-68.2%
Data as % Service Revenues	30.3%	33.0%	2.7pp	32.8%	0.3pp	30.0%	32.4%	2.3pp
Total #SMS/month/user	46.4	42.2	-9.0%	42.8	-1.3%	47.6	42.4	-10.9%
MOU(1) (min.)	132.6	125.9	-5.1%	127.1	-0.9%	134.0	126.2	-5.8%
ARPU(2) (euros)	13.9	13.5	-3.1%	13.0	3.8%	13.8	13.0	-5.5%
Customer Monthly Bill	11.5	11.6	0.8%	11.3	3.0%	11.5	11.3	-1.7%
Interconnection	2.4	1.9	-22.0%	1.7	9.4%	2.3	1.7	-24.6%
ARPM(3) (euros)	0.10	0.11	2.1%	0.10	4.8%	0.10	0.10	0.3%

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

Customer base

The Optimus mobile customer base grew to 3.64 million customers, increasing 2.8% y.o.y.. Importantly, the 3Q11 level of net additions totalled 52.2 thousand, more than offsetting the negative value registered in the 2Q11. As a consequence, the 9M11 level of net additions reached 34.5 thousand customers, mainly due to the mobile residential segment. Our contract customers continued to rise, reaching approximately 33.7% of total mobile base, an increase of 0.6pp compared with the end of 9M10.

Mobile customers' ARPU stood at 13.0 euros, decreasing 0.8 euros compared to 9M10. This evolution is due a combination between lower interconnection revenues, which decreased from 2.3 euros to 1.7 euros, and lower customer monthly bill, which decreased from 11.5 euros to 11.3 euros. It is important to note that the y.o.y. evolution of customer monthly bill is improving. In fact, when analysed the evolution of this particular line, it has been growing smoothly since the beginning of 2011. As regards the level of Minutes of Usage (MOUs), it decreased 5.8% y.o.y., to 126 minutes per month, a decline linked to consumer confidence but with no significant impact on mobile customer revenues, given the relevance of packs of minutes and SMSs on Optimus pre-paid and post-paid offer.

Data services and mobile broadband

Data revenues represented 32.4% of service revenues in the first nine months of 2011, improving 2.3pp compared to the same period of 2010, an achievement fully in line with the current trends in terms of data usage. Also, non-SMS related data services continued to increase, accounting for approximately 76.3% of total data revenues in 9M11 versus 75.4% in 9M10, even considering the negative impact that the end of e-initiatives has been causing in our mobile broadband segment.

2.1.2. Financial data

Million euros

MOBILE INCOME STATEMENT	3Q10	3Q11	Δ 11/10	2Q11	q.o.q.	9M10	9M11	Δ 11/10
Turnover	**152.7**	**149.8**	**-1.9%**	**142.9**	**4.8%**	**440.8**	**430.2**	**-2.4%**
Service Revenues	143.6	141.7	-1.4%	136.1	4.1%	419.9	411.1	-2.1%
Customer Revenues	118.9	122.0	2.6%	118.2	3.3%	349.3	355.9	1.9%
Operator Revenues	24.7	19.6	-20.6%	17.9	9.6%	70.6	55.2	-21.9%
Equipment Sales	9.1	8.2	-10.1%	6.9	19.2%	20.9	19.1	-8.6%
Other Revenues	**7.7**	**7.2**	**-6.6%**	**8.3**	**-13.6%**	**24.3**	**24.2**	**-0.4%**
Operating Costs	**112.3**	**102.9**	**-8.3%**	**98.3**	**4.7%**	**322.6**	**299.4**	**-7.2%**
Personnel Costs	13.3	12.8	-3.9%	12.5	2.7%	39.5	38.6	-2.3%
Direct Servicing Costs(1)	43.2	32.3	-25.1%	33.8	-4.2%	130.2	102.3	-21.4%
Commercial Costs(2)	28.6	29.8	4.3%	24.3	22.9%	73.7	75.4	2.3%
Other Operating Costs(3)	27.2	28.0	2.9%	27.8	0.7%	79.1	83.0	5.0%
EBITDA	**48.1**	**54.1**	**12.3%**	**52.9**	**2.1%**	**142.5**	**154.9**	**8.7%**
EBITDA Margin (%)	31.5%	36.1%	4.6pp	37.0%	-1.0pp	32.3%	36.0%	3.7pp
Operating CAPEX(4)	25.0	19.0	-24.1%	18.4	2.9%	62.6	50.0	-20.2%
Operating CAPEX as % of Turnover	16.4%	12.7%	-3.7pp	12.9%	-0.2pp	14.2%	11.6%	-2.6pp
EBITDA - Operating CAPEX	23.1	35.1	51.7%	34.5	1.7%	79.9	104.9	31.4%
Total CAPEX	25.1	19.0	-24.3%	18.5	3.1%	63.1	50.1	-20.5%

(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 + Provisions + others; (4) Operating CAPEX excludes Financial Investments, Provisions for sites dismantling and other non operational investments.

Turnover

Mobile customer revenues maintained the increasing trend of the previous quarters, reaching 355.9 million euros and growing 1.9% y.o.y.. Notwithstanding this improvement, mobile turnover decreased 2.4% y.o.y., to 430.2 million euros, mostly due to a decline in the level of operator revenues, fully driven by regulated tariffs, MTRs and Roaming in.

Operating costs

As a result of Optimus' operational efficiency plan, pursuing a leaner organisation, mobile operating costs decreased 7.2% y.o.y., to 299.4 million euros, almost due to a 21.4% decrease in the level of direct servicing costs. This in turn was due to a lower level of leased lines and network related costs but also from a lower level of interconnection costs, driven by lower mobile termination rates. Importantly, to support our increased commercial activity and customer base growth, the level of commercial costs increased 2.3% in 9M11. This was driven by a higher level of commissions, due to an enlarged activity in the business segment and mobile broadband, and also due to a higher level of marketing costs in 3Q11, when compared with 3Q10. The level of other operating costs increased 5.0% y.o.y., driven solely by a higher level of provisions, which offsets the reductions achieved by our operational efficiency plan in outsourcing costs, related to Optimus call centre and IT costs and also a lower level of general and administrative expenses. Between 9M10 and 9M11, mobile provisions increased from a low level of 1.8 million euros, already explained in previous reports, to 12.4 million euros.

EBITDA

Mobile EBITDA increased from 48.1 million euros, in 3Q10, to 54.1 million euros, in 3Q11, a considerable yearly increase of 12.3%. In cumulative terms, this line rose 8.7% y.o.y., to 154.9 million euros, driven by a 1.9% increase in mobile customer revenues and, mostly, by a 7.2% decrease in the level of operating costs.
The EBITDA margin reached 36.0% in 9M11, against 32.3% in 9M10. This positive evolution becomes even more evident on a quarterly basis, as mobile EBITDA margin increased in the third quarter from 31.5% to 36.1%, growing 4.6pp y.o.y.. This achievement is worth noting, especially given the depressed macroeconomic environment and the competitiveness of the market.
As a proof of the operating efficiency of the business, it should be noted that mobile EBITDA-operating Capex grew more than 50% between the two quarters under analysis, to 35.1 million euros. In cumulative terms, mobile EBITDA-operating Capex has increased from 79.9 million euros, in 9M10, to 104.9 million euros, in 9M11, 31.4% y.o.y..

2.2. Optimus wireline business

In the corporate and SMEs segment, an important strategic part of the wireline business, we continue to achieve growth through the demand for convergent solutions. So as to deliver a completely integrated offer, our convergent network infrastructure, coupled with a unique strong brand, a unified commercial approach as well as an integrated backoffice, have been the key to best address and anticipate the requirements of our enterprise customers.

As regards the residential segment, we continue to focus on value growth in terms of our fibre-to-the-home (FTTH) subscriber base, while leveraging our infrastructure and partnerships. During the 3Q11, as a result of the partnership established with Vodafone, Optimus has now a coverage of 400 thousand homes passed with FTTH.

2.2.1. Operational data

WIRELINE OPERATIONAL KPI's	3Q10	3Q11	Δ 11/10	2Q11	q.o.q.	9M10	9M11	Δ 11/10
Total Accesses	436,060	383,568	-12.0%	388,915	-1.4%	436,060	383,568	-12.0%
Direct Accesses	362,682	313,725	-13.5%	318,414	-1.5%	362,682	313,725	-13.5%
Direct Voice	194,161	166,760	-14.1%	169,839	-1.8%	194,161	166,760	-14.1%
Direct Broadband	114,432	80,821	-29.4%	87,164	-7.3%	114,432	80,821	-29.4%
Other Direct Services	54,089	66,144	22.3%	61,411	7.7%	54,089	66,144	22.3%
Indirect Accesses	73,378	69,843	-4.8%	70,501	-0.9%	73,378	69,843	-4.8%
Unbundled COs with transmission	204	206	1.0%	206	0.0%	204	206	1.0%
Unbundled COs with ADSL2+	182	182	0.0%	182	0.0%	182	182	0.0%
Direct access as % Cust. Revenues (1)	78.5%	79.3%	0.8pp	78.4%	0.9pp	78.7%	78.8%	0.1pp
Average Revenue per Access - Retail	23.8	22.5	-5.3%	23.8	-5.5%	23.6	23.5	-0.3%

(1) Due to a change in the classification criteria of Other Customer Revenues, the level of Direct Access Revenues was restated between 4Q09 and 3Q10.

Customer base

The Corporate and SMEs segment continued to increase its presence in the market, with the number of accesses increasing from 149 thousand to 158 thousand, growing 6.2% between 9M10 and 9M11.

However, the number of total accesses decreased 12.0% y.o.y. to 384 thousand accesses, driven entirely by the residential segment. This fall was due to a 13.5% decrease in direct accesses, impacted by the decision to abandon residential customer acquisition through the incumbent's infrastructure, namely through ULL, and a 4.8% reduction in indirect accesses. Nonetheless, it should be emphasised that driven by both the direct and indirect evolution of accesses, the decreasing trend of the total number of accesses has been slowing q.o.q. since early 2009.

2.2.2. Financial data

Million euros								
WIRELINE INCOME STATEMENT	3Q10	3Q11	Δ 11/10	2Q11	q.o.q.	9M10	9M11	Δ 11/10
Turnover	**60.4**	**56.6**	**-6.4%**	**52.2**	**8.3%**	**180.7**	**163.5**	**-9.5%**
Service Revenues	60.4	55.4	-8.3%	52.1	6.3%	180.4	162.1	-10.1%
Customer Revenues	30.8	24.7	-19.9%	26.6	-7.3%	93.5	79.1	-15.4%
Direct Access Revenues (1)	24.2	19.6	-19.1%	20.9	-6.3%	73.6	62.3	-15.3%
Indirect Access Revenues	6.5	5.0	-23.8%	5.6	-11.4%	19.5	16.3	-16.6%
Other (1)	0.1	0.2	27.2%	0.1	5.3%	0.4	0.5	24.9%
Operator Revenues	29.6	30.7	3.8%	25.4	20.5%	86.9	83.0	-4.4%
Equipment Sales	0.0	1.2	-	0.1	-	0.3	1.4	-
Other Revenues	**0.3**	**0.3**	**-8.4%**	**0.3**	**-8.5%**	**0.9**	**0.7**	**-23.8%**
Operating Costs	**60.1**	**53.6**	**-10.8%**	**49.7**	**7.8%**	**178.3**	**156.6**	**-12.2%**
Personnel Costs	0.9	0.6	-31.6%	0.7	-4.6%	2.8	2.0	-28.7%
Direct Servicing Costs(2)	39.7	40.1	0.9%	35.5	12.8%	117.8	113.1	-3.9%
Commercial Costs(3)	6.2	2.7	-56.5%	2.8	-5.7%	14.5	9.4	-35.0%
Other Operating Costs(4)	13.3	10.2	-23.3%	10.7	-4.4%	43.3	32.0	-25.9%
EBITDA	**0.6**	**3.3**	**-**	**2.8**	**15.1%**	**3.2**	**7.6**	**135.2%**
EBITDA Margin (%)	1.0%	5.7%	4.7pp	5.4%	0.3pp	1.8%	4.6%	2.9pp
Operating CAPEX(5)	5.3	2.9	-45.0%	5.4	-45.6%	17.0	13.0	-23.5%
Operating CAPEX as % of Turnover	8.8%	5.2%	-3.6pp	10.3%	-5.1pp	9.4%	8.0%	-1.5pp
EBITDA - Operating CAPEX	-4.7	0.3	-	-2.6	-	-13.8	-5.4	60.6%
Total CAPEX	5.3	2.9	-45.0%	5.4	-45.6%	17.0	13.0	-23.5%

(1) Due to a change in the classification criteria of Other Customer Revenues, the levels of Other Customer Revenues and Direct Access Revenues were restated between 4Q09 and 3Q10; (2) Direct Servicing Costs = Interconnection and Content + Leased Lines + Other Network Operating Costs; (3) Commercial Costs = COGS + Mktg & Sales Costs; (4) Other Operating Costs = Outsourcing Services + G&A + Provisions + others; (4) Operating CAPEX excludes Financial Investments, Provisions for sites dismantling and other non operational investments.

Turnover

Wireline turnover decreased 9.5% y.o.y., to 163.5 million euros, driven by a reduction of 15.4% in the level of customer revenues, to 79.1 million euros, and a reduction of 4.4% in the level of operator revenues, to 83.0 million euros, this last mainly driven by wholesale traffic prices.

Operating costs

Wireline operating costs decreased 12.2% y.o.y., to 156.6 million euros. Direct servicing costs decreased 3.9% y.o.y. mostly as a result of the reduction in the number of ULL accesses. Commercial costs decreased 35.0% due to lower marketing and sales costs, consequence of our decision of abandon residential customer acquisition through the incumbent's infrastructure. Personnel costs, as a result of the optimization of our wireline residential business unit, declined 28.7% y.o.y..

The level of other operating costs decreased 25.9%, benefiting from a lower level of provisions, which decreased to 4.3 million euros, in 9M11, from 9.3 million euros, in 9M10, a higher amount required to reinforce the level of provisions for bad debt at the time.

EBITDA

As a result of our performance in terms of revenues and costs, 9M11 wireline EBITDA more than doubled, reaching 7.6 million euros. The EBITDA margin increased from 1.8% to 4.6%, growing 2.9pp y.o.y..

We have been directing our efforts towards managing the profitability of the wireline business. As a result, we were able to achieve EBITDA-operating CAPEX breakeven at this quarter. Although still negative in 9M11, EBITDA-operating Capex grew more than 60% between 9M10 and 9M11.

3. Software and Information Systems (SSI)

Currently, the SSI division comprises four companies: WeDo Technologies, a provider of business assurance solutions addressing the optimisation of business performance and risk management systems and processes; Mainroad, which specialises in IT management, security and business continuity; Bizdirect, which provides value-added IT products; and Saphety, which focuses on business process automation, electronic invoicing and security in B2B transactions.

WeDo Technologies continued to increase its international presence and to grow its position in the business assurance market, acquiring new global accounts and enlarging its offer to fraud solutions, as well as addressing other sectors of activity.
Presently, WeDo Technologies has more than 148 clients in 78 countries. In 9M11, WeDo Technologies' international revenues represented 68.5% of its turnover and the volume of its international revenues grew 2.9% between 9M10 and 9M11. Importantly, WeDo's future activity will benefit from the 27.0% increase in the level of international orders. These evolutions indicate that the company's focus on enlarging the international footprint continues to deliver positive results.

3.1. Operational data

SSI OPERATIONAL KPI's	3Q10	3Q11	Δ 11/10	2Q11	q.o.q.	9M10	9M11	Δ 11/10
IT Service Revenues/Employee(1) ('000 euros)	32.3	31.8	-1.4%	32.2	-1.3%	125.9	129.1	2.6%
Equipment Sales as % Turnover	49.3%	35.1%	-14.3pp	45.9%	-10.8pp	50.5%	35.8%	-14.7pp
Equipment Sales/Employee(2) ('000 euros)	674.4	395.1	-41.4%	203.5	94.1%	4,514.7	2,979.6	-34.0%
EBITDA/Employee ('000 euros)	3.3	2.5	-24.8%	2.5	0.3%	16.0	15.0	-6.6%
Employees	556	569	2.3%	572	-0.5%	556	569	2.3%

(1) Excluding employees dedicated to Equipment Sales; (2) Bizdirect.

IT service revenues per employee reached 129.1 thousand euros in 9M11, 2.6% above 9M10, totally driven by the increase in service revenues as SSI's total headcount increased 2.3% y.o.y. to 569 employees. This was due to the inclusion of employees at Mainroad driven by full outsourcing contracts and, also, by WeDo Technologies' growing activity.

Equipment sales per employee decreased y.o.y. by 34.0%. Driven mainly by the end of the e-initiatives programme, the level of Bizdirect laptop sales has sharply decreased, which inevitably has an impact in some KPI's of the business.

3.2. Financial data

Million euros SSI CONSOLIDATED INCOME STATEMENT	3Q10	3Q11	Δ 11/10	2Q11	q.o.q.	9M10	9M11	Δ 11/10
Turnover	**34.9**	**27.4**	**-21.6%**	**23.0**	**19.3%**	**102.3**	**83.3**	**-18.6%**
Service Revenues	17.7	17.8	0.5%	17.9	-0.5%	50.7	53.5	5.6%
Equipment Sales	17.2	9.6	-44.3%	5.1	89.4%	51.6	29.8	-42.3%
Other Revenues	**0.1**	**0.2**	**59.8%**	**0.1**	**44.5%**	**0.3**	**0.5**	**47.3%**
Operating Costs	**33.2**	**25.9**	**-21.9%**	**21.6**	**19.7%**	**96.8**	**78.7**	**-18.7%**
Personnel Costs	7.9	7.7	-3.4%	7.4	3.6%	22.9	22.6	-1.3%
Commercial Costs(1)	17.0	9.5	-44.1%	5.2	83.8%	51.1	29.7	-41.8%
Other Operating Costs(2)	8.2	8.8	6.1%	9.1	-3.6%	22.8	26.3	15.4%
EBITDA	**1.9**	**1.7**	**-11.9%**	**1.4**	**15.7%**	**5.8**	**5.0**	**-13.6%**
EBITDA Margin (%)	5.4%	6.1%	0.7pp	6.3%	-0.2pp	5.7%	6.0%	0.3pp
Operating CAPEX(3)	1.6	1.1	-30.7%	1.0	16.3%	8.1	3.0	-63.4%
Operating CAPEX as % of Turnover	4.7%	4.2%	-0.5pp	4.3%	-0.1pp	7.9%	3.6%	-4.4pp
EBITDA - Operating CAPEX	0.3	0.5	110.9%	0.5	14.3%	-2.3	2.0	-
Total CAPEX	1.6	1.1	-30.7%	1.0	16.3%	8.1	3.0	-63.4%

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

Turnover

SSI turnover decreased y.o.y. by 18.6%, to 83.3 million euros. The 5.6% y.o.y. increase in the level of service revenues was not sufficient to offset the 42.3% drop in equipment sales, driven mostly by the end of e-initiatives programme.

Operating costs

SSI operating costs decreased y.o.y. by 18.7%, to 78.7 million euros. The 41.8% decrease in the level of commercial costs is mostly a direct consequence of the lower level of cost of goods sold, mainly due to lower laptop sales under the e-initiatives programme. The increase in other operating costs is related mainly with higher operational costs, which reflect the additional maintenance and renting contracts associated with the full outsourcing contracts won by WeDo Technologies and Mainroad.

EBITDA

During 9M11, SSI EBITDA reached 5.0 million euros, decreasing 13.6% when compared with 9M10, due to a lower level of product sales at Bizdirect and a higher operating costs base, excluding cost of goods sold, not yet entirely offset by higher service revenues.

As a result of the combination of higher service revenues and lower equipment sales, SSI EBITDA margin increased y.o.y. from 5.7% to 6.0%. Nonetheless, this margin improvement is being conditioned by Wedo Technologies' international expansion efforts, aiming at leading the business assurance market, leveraging its leadership in revenue assurance.

4. Online & Media

Sonaecom's Online & Media business comprises a set of additional businesses such as Miau.pt, Público, a leading Portuguese daily newspaper that has already completed 21 years, and Público.pt, at the digital forefront of the Portuguese online press.

The market dynamics in the daily generalist press sector are crossing a very challenging moment, both in terms of circulation and advertising figures. Nevertheless, Público was able to maintain its audience percentage around 4.4% in 9M11.

As regards the financial performance, the considerably lower level of advertising sales, consequence of the macroeconomic backdrop, has inevitably been impacting Online & Media EBITDA. In 9M11, this particular line reached a negative level of 2.4 million euros, decreasing when compared with 9M10 negative 1.0 million euros.

5. Main regulatory developments in 3Q11

Most significant regulatory developments during 3Q11

New communications act

On 13 September 2011, ICP-Anacom published the law No. 51/2011, which amends the legal regime applicable to networks and electronic communications services, transposing the EU Directives adopted in late 2009.

Subsequent regulatory developments

Mobile termination rates glide path

ICP-ANACOM released a public consultation with a new glide-path proposal for mobile termination rates, to be in consultation until 8 November 2011.
This proposal considers quarterly declines, to enter into force on 1 February 2012, as follows:

	MTR's/€/cents
1 Feb. 2012	0.0275
1 May 2012	0.0225
1 Aug. 2012	0.0175
1 Nov. 2012	0.0125

The new prices are based on a cost model defined for the purpose, simultaneously released with the price proposal. This cost model is based on the 'long run incremental cost' ('LRIC') pure approach, in accordance with the European Commission recommendation for termination rates.

LTE spectrum auction final regulation

On 19 October 2011, ICP-Anacom published the final regulation regarding LTE spectrum auction. The most relevant items that were altered are as follows:
- In the 800Mhz band, the acquirers of spectrum may defer the payment of one third of the total investment over a period of 5 years;
- the 900Mhz band will have a 25% discount for new entrants;
- the players that win the 800Mhz license will be obliged to provide coverage within one year to 80 municipalities identified as not having mobile broadband coverage.

6. Main corporate developments in 3Q11

Bond issue completion

On 23 September 2011, Sonaecom announced the completion of a 3.5 year unsecured bond issue, by private placement, in the total amount of 100 million euros, an operation that assured a higher diversification of Sonaecom financing sources, increased the average maturity of the debt and anticipated funds to face the refinancing needs scheduled to 2012.

7. Appendix

7.1. Sonaecom consolidated income statement

Million euros

CONSOLIDATED INCOME STATEMENT	3Q10	3Q11	Δ 11/10	2Q11	q.o.q.	9M10	9M11	Δ 11/10
Turnover	**233.8**	**224.9**	-3.8%	**209.6**	-	**684.1**	**650.3**	**-4.9%**
Mobile	152.7	149.8	-1.9%	142.9	-	440.8	430.2	-2.4%
Wireline	60.4	56.6	-6.4%	52.2	-	180.7	163.5	-9.5%
SSI	34.9	27.4	-21.6%	23.0	19.3%	102.3	83.3	-18.6%
Other & Eliminations	-14.3	-8.9	37.9%	-8.5	-4.2%	-39.7	-26.6	32.9%
Other Revenues	**1.8**	**2.0**	**7.5%**	**2.0**	**0.2%**	**4.6**	**6.3**	**36.6%**
Operating Costs	**186.1**	**169.3**	**-9.0%**	**155.0**	**9.2%**	**539.7**	**492.6**	**-8.7%**
Personnel Costs	25.1	23.8	-5.1%	22.9	3.8%	73.8	71.1	-3.8%
Direct Servicing Costs(1)	69.8	63.2	-9.5%	60.1	5.1%	209.3	187.7	-10.3%
Commercial Costs(2)	52.3	43.5	-16.9%	33.1	31.5%	141.3	117.5	-16.8%
Other Operating Costs(3)	38.9	38.9	-0.2%	38.9	-0.1%	115.3	116.3	0.8%
EBITDA	**49.5**	**57.5**	**16.3%**	**56.5**	**1.8%**	**149.0**	**164.0**	**10.1%**
EBITDA Margin (%)	**21.2%**	**25.6%**	4.4pp	**27.0%**	-1.4pp	**21.8%**	**25.2%**	3.4pp
Mobile	48.1	54.1	12.3%	52.9	2.1%	142.5	154.9	8.7%
Wireline	0.6	3.3	-	2.8	15.1%	3.2	7.6	135.2%
SSI	1.9	1.7	-11.9%	1.4	15.7%	5.8	5.0	-13.6%
Other & Eliminations	-1.2	-1.5	-24.3%	-0.7	-116.2%	-2.5	-3.5	-38.1%
Depreciation & Amortization	31.4	31.9	1.6%	31.7	0.6%	98.2	93.8	-4.5%
EBIT	**18.1**	**25.7**	**41.6%**	**24.9**	**3.2%**	**50.8**	**70.3**	**38.3%**
Net Financial Results	**-2.8**	**-2.1**	**26.7%**	**-2.5**	**16.7%**	**-6.5**	**-6.8**	**-5.2%**
Financial Income	0.8	2.3	180.3%	1.7	39.4%	4.3	5.5	27.4%
Financial Expenses	3.7	4.4	20.4%	4.2	5.8%	10.8	12.3	14.1%
EBT	**15.3**	**23.6**	**54.2%**	**22.4**	**5.5%**	**44.3**	**63.4**	**43.2%**
Tax results	-5.2	1.6	-	-4.2	-	-14.4	-6.3	56.2%
Net Results	**10.1**	**25.2**	**149.1%**	**18.2**	**38.6%**	**29.9**	**57.1**	**91.2%**
Group Share	10.1	25.2	149.9%	18.2	38.2%	29.7	57.1	92.1%
Attributable to Minority Interests	0.0	0.0	-47.7%	0.0	-	0.1	0.0	-92.3%

(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 + Provisions + others.

7.2. Sonaecom consolidated balance sheet

Million euros

CONSOLIDATED BALANCE SHEET	3Q10	3Q11	Δ 11/10	2Q11	q.o.q	9M10	9M11	Δ 11/10
Total Net Assets	**1,838.1**	**1909.8**	**3.9%**	**1,835.5**	**4.0%**	**1,838.1**	**1909.8**	**3.9%**
Non Current Assets	1,485.4	1,468.4	-1.1%	1,475.4	-0.5%	1,485.4	1,468.4	-1.1%
Tangible and Intangible Assets	843.2	836.4	-0.8%	845.4	-1.1%	843.2	836.4	-0.8%
Goodwill	526.1	526.1	0.0%	526.1	0.0%	526.1	526.1	0.0%
Investments	1.2	0.2	-82.1%	0.2	1.7%	1.2	0.2	-82.1%
Deferred Tax Assets	114.7	105.4	-8.1%	103.5	1.9%	114.7	105.4	-8.1%
Others	0.1	0.3	105.0%	0.3	0.0%	0.1	0.3	105.0%
Current Assets	352.7	441.4	25.2%	360.1	22.6%	352.7	441.4	25.2%
Trade Debtors	134.3	133.2	-0.8%	109.5	21.6%	134.3	133.2	-0.8%
Liquidity	93.4	183.0	95.9%	126.1	45.1%	93.4	183.0	95.9%
Others	125.0	125.2	0.2%	124.4	0.6%	125.0	125.2	0.2%
Shareholders' Funds	**964.3**	**1,015.2**	**5.3%**	**989.4**	**2.6%**	**964.3**	**1,015.2**	**5.3%**
Group Share	963.7	1014.7	5.3%	988.9	2.6%	963.7	1014.7	5.3%
Minority Interests	0.6	0.5	-13.9%	0.5	5.3%	0.6	0.5	-13.9%
Total Liabilities	**873.8**	**894.6**	**2.4%**	**846.1**	**5.7%**	**873.8**	**894.6**	**2.4%**
Non Current Liabilities	450.9	400.4	-11.2%	456.2	-12.2%	450.9	400.4	-11.2%
Bank Loans	339.4	319.1	-6.0%	370.2	-13.8%	339.4	319.1	-6.0%
Provisions for Other Liabilities and Charges	33.0	34.5	4.6%	34.2	1.0%	33.0	34.5	4.6%
Others	78.4	46.8	-40.3%	51.7	-9.5%	78.4	46.8	-40.3%
Current Liabilities	422.9	494.2	16.8%	390.0	26.7%	422.9	494.2	16.8%
Bank Loans	21.7	121.9	-	30.3	-	21.7	121.9	-
Trade Creditors	159.8	155.8	-2.5%	143.7	8.4%	159.8	155.8	-2.5%
Others	241.5	216.5	-10.4%	216.0	0.2%	241.5	216.5	-10.4%
Operating CAPEX(1)	31.5	23.0	-27.0%	24.7	165.9%	87.1	65.8	-24.5%
Operating CAPEX as % of Turnover	13.5%	10.2%	-3.3pp	11.8%	-1.7pp	12.7%	10.1%	-2.6pp
Total CAPEX	31.6	23.0	-27.2%	24.8	166.1%	87.5	65.9	-24.7%
EBITDA - Operating CAPEX	17.8	23.0	28.8%	31.8	-	61.9	98.2	58.7%
Operating Cash Flow(2)	13.1	23.1	75.8%	55.9	-4.0%	37.4	53.7	43.7%
FCF(3)	3.8	16.7	-	47.1	-39.3%	9.4	28.6	-
Gross Debt	383.2	462.1	20.6%	421.2	9.7%	383.2	462.1	20.6%
Net Debt	289.7	279.0	-3.7%	295.1	-5.4%	289.7	279.0	-3.7%
Net Debt/ EBITDA last 12 months	1.5 x	1.3 x	-0.2x	1.5 x	-0.1x	1.5 x	1.3 x	-0.2x
EBITDA/Interest Expenses(4) (last 12 months)	14.7 x	15.0 x	0.3x	14.7 x	0.3x	14.7 x	15.0 x	0.3x
Debt/Total Funds (Debt + Shareholders' Fund	.3 x	0.3 x	2.8pp	29.9%	1.4pp	28.4%	31.3%	2.8pp
Excluding the Securitisation Transaction:								
Net Debt	353.9	323.6	-8.5%	344.6	-6.1%	353.9	323.6	-8.5%
Net Debt/ EBITDA last 12 months	1.8 x	1.5 x	-0.2x	1.7 x	-0.2x	1.8 x	1.5 x	-0.2x
EBITDA/Interest Expenses(4) (last 12 months)	14.7 x	15.0	0.3x	14.7 x	0.3x	14.7 x	15.0	0.3x

(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.

7.3. Sonaecom levered FCF

Million euros								
LEVERED FREE CASH FLOW	3Q10	3Q11	Δ 11/10	2Q11	q.o.q.	9M10	9M11	Δ 11/10
EBITDA-Operating CAPEX	**18.0**	**34.5**	**92.1%**	**31.8**	**8.7%**	**61.9**	**98.2**	**58.7%**
Change in WC	-8.3	-11.5	-39.3%	22.8	-	-28.6	-47.4	-65.8%
Non Cash Items & Other	3.4	0.1	-97.2%	1.3	-92.6%	4.0	2.8	-30.1%
Operating Cash Flow	**13.1**	**23.1**	**75.8%**	**55.9**	**-58.7%**	**37.4**	**53.7**	**43.7%**
VAT one-off	0.0	0.0	-	37.8	-	0.0	0.0	-
Securitisation Transaction	-5.0	-5.0	0.0%	-5.0	0.0%	-15.0	-15.0	0.0%
Own shares	0.0	0.0	-	0.0	-	-3.5	-2.2	36.4%
Financial results	-3.0	-1.4	51.7%	-2.8	49.2%	-6.2	-6.2	-0.3%
Income taxes	-1.3	0.0	100.0%	-1.0	100.0%	-3.2	-1.7	48.0%
FCF	**3.8**	**16.7**	**-**	**47.1**	**-64.6%**	**9.4**	**28.6**	**-**

Note: Operating Cash Flow does not include non recurrent VAT payments.

7.4. Headcount

Sonaecom	3Q10	3Q11	Δ 11/10	2Q11	q.o.q.	9M10	9M11	Δ 11/10
Total Employees	2,070	2,054	-0.8%	2,066	-0.6%	2,070	2,054	-0.8%
Shared Services and Corporate Centre	139	142	2.2%	141	0.7%	139	142	2.2%
Telecommunications	1,120	1,085	-3.1%	1,089	-0.4%	1,120	1,085	-3.1%
SSI	556	569	2.3%	574	-0.9%	556	569	2.3%
Online & Media	255	258	1.2%	262	-1.5%	255	258	1.2%

7.5. Optimus consolidated income statement

Million euros

OPTIMUS INCOME STATEMENT	3Q10	3Q11	Δ 11/10	2Q11	q.o.q.	9M10	9M11	Δ 11/10
Turnover	**200.0**	**197.2**	**-1.4%**	**186.2**	**5.9%**	**583.1**	**566.1**	**-2.9%**
Service Revenues	190.9	187.8	-1.6%	179.2	4.8%	561.9	545.7	-2.9%
Customer Revenues	149.4	146.3	-2.0%	144.4	1.3%	441.6	433.8	-1.8%
Operator Revenues	41.5	41.5	-0.1%	34.8	19.3%	120.4	111.9	-7.0%
Equipment Sales	9.1	9.4	2.6%	7.0	33.8%	21.2	20.5	-3.3%
Other Revenues	**2.2**	**2.6**	**13.9%**	**2.9**	**-11.1%**	**6.1**	**8.6**	**42.3%**
Operating Costs	**153.5**	**142.4**	**-7.2%**	**133.3**	**6.8%**	**443.4**	**412.2**	**-7.0%**
Personnel Costs	14.2	13.4	-5.7%	13.1	2.4%	42.3	40.6	-4.1%
Direct Servicing Costs(1)	69.8	63.0	-9.7%	60.0	5.0%	209.4	187.3	-10.6%
Commercial Costs(2)	34.7	32.5	-6.5%	27.1	19.8%	88.3	84.9	-3.9%
Other Operating Costs(3)	34.7	33.5	-3.5%	33.0	1.4%	103.4	99.5	-3.8%
EBITDA	**48.8**	**57.3**	**17.5%**	**55.8**	**2.8%**	**145.8**	**162.5**	**11.5%**
EBITDA Margin (%)	24.4%	29.1%	4.7pp	29.9%	-0.9pp	25.0%	28.7%	3.7pp
Operating CAPEX(4)	30.9	22.0	-28.6%	23.9	-7.9%	80.7	63.3	**-21.5%**
Operating CAPEX as % of Turnover	15.4%	11.2%	-4.2pp	12.9%	-1.7pp	13.8%	11.2%	-2.7pp
EBITDA - Operating CAPEX	17.9	35.3	96.7%	31.8	10.8%	65.1	99.2	**52.4%**
Total CAPEX	31.0	22.1	-28.7%	23.9	-7.7%	81.1	63.4	**-21.8%**

(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 + Provisions + others; (4) Operating CAPEX excludes Financial Investments, Provisions for sites dismantling and other non operational investments.

7.6. Online & Media

PÚBLICO OPERATIONAL KPI's	3Q10	3Q11	Δ 11/10	2Q11	q.o.q.	9M10	9M11	Δ 11/10
Average Paid Circulation(1)	35,129	34,362	-2.2%	32,967	4.2%	37,322	34,043	-8.8%
Market Share of Advertising (%)	9.0%	8.3%	-0.7pp	9.4%	-1.1pp	11.6%	10.7%	-0.9pp
Audience(2) (%)	n.a	n.a	-	5.5	-	4.4	4.4	0.0%

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

Million euros

ONLINE & MEDIA CONS. INCOME STATEMENT	3Q10	3Q11	Δ 11/10	2Q11	q.o.q.	9M10	9M11	Δ 11/10
Turnover	**6.67**	**6.02**	**-9.8%**	**6.71**	**-10.3%**	**21.97**	**19.26**	**-12.3%**
Advertising Sales(1)	2.45	2.05	-16.0%	2.90	-29.2%	8.94	7.60	-15.0%
Newspaper Sales	2.80	2.85	1.6%	2.61	9.1%	8.05	7.88	-2.1%
Paper Sales	0.46	0.37	-19.0%	0.38	-3.1%	1.61	1.10	-31.8%
Associated Product Sales	0.96	0.74	-22.8%	0.81	-8.6%	3.37	2.69	-20.3%
Other Revenues	**0.24**	**0.22**	**-8.7%**	**0.10**	**112.5%**	**0.36**	**0.42**	**16.9%**
Operating Costs	**7.62**	**7.35**	**-3.6%**	**7.31**	**0.5%**	**23.35**	**22.08**	**-5.4%**
Personnel Costs	2.72	2.63	-3.3%	2.58	1.9%	8.04	7.88	-2.0%
Commercial Costs(2)	2.38	2.38	0.1%	2.26	5.5%	7.68	6.94	-9.7%
Other Operating Costs(3)	2.52	2.34	-7.4%	2.47	-5.4%	7.63	7.26	-4.8%
EBITDA	**-0.71**	**-1.11**	**-56.5%**	**-0.50**	**-123.3%**	**-1.02**	**-2.40**	**-136.3%**
EBITDA Margin (%)	-10.6%	-18.5%	-7.8pp	-7.4%	-11.1pp	-4.6%	-12.5%	-7.8pp
Operating CAPEX(4)	0.12	0.14	24.0%	0.20	-26.3%	0.38	0.45	19.0%
Operating CAPEX as % of Turnover	1.7%	2.4%	0.7pp	2.9%	-0.5pp	1.7%	2.3%	0.6pp
EBITDA - Operating CAPEX	-0.83	-1.26	-51.9%	-0.69	-81.0%	-1.39	-2.85	-104.5%
Total CAPEX	0.12	0.14	24.0%	0.20	-26.3%	0.38	0.45	19.0%

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

8.1. Sonaecom consolidated financial statements

Consolidated balance sheets

In 30 September 2011 and 2010 and 31 December 2010

(Amounts expressed in euro)	Notes	September 2011	September 2010	December 2010
Assets				
Non-current assets				
Tangible assets	1.d, 1.i and 6	573,721,368	569,257,297	592,369,741
Intangible assets	1.e, 1.f and 7	262,630,465	273,980,583	272,896,942
Goodwill	1.g and 9	526,133,731	526,142,619	526,141,552
Investments available for sale	1.h, 8 and 10	212,323	1,207,320	212,323
Other non-current assets	1.t	283,771	136,663	174,363
Deferred tax assets	1.q and 11	105,384,838	114,683,784	109,587,224
Total non-current assets		1,468,366,496	1,485,408,266	1,501,382,145
Current assets				
Inventories	1.j	14,227,875	27,175,949	17,473,750
Trade debtors	1.k and 8	133,201,825	134,304,340	143,294,200
Other current debtors	1.k and 8	32,552,816	26,761,427	61,302,698
Other current assets	1.s and 1.y	78,417,903	71,040,207	69,839,130
Cash and cash equivalents	1.l, 8 and 12	183,025,312	93,417,082	68,577,903
Total current assets		441,425,731	352,699,005	360,487,681
Total assets		1,909,792,227	1,838,107,271	1,861,869,826
Shareholders' funds and liabilities				
Shareholders' funds				
Share capital	13	366,246,868	366,246,868	366,246,868
Own shares	1.v and 14	(13,594,518)	(13,725,585)	(15,030,834)
Reserves	1.u	604,941,105	581,500,069	582,259,583
Consolidated net income/(loss) for the year		57,091,345	29,719,396	41,182,587
		1,014,684,800	963,740,748	974,658,204
Non-controlling interests		486,559	565,275	593,790
Total Shareholders' funds		1,015,171,359	964,306,023	975,251,994
Liabilities				
Non-current liabilities				
Medium and long-term loans – net of short-term portion	1.m, 1.n, 8 and 15	319,067,408	339,382,001	305,038,006
Other non-current financial liabilities	1.i, 8 and 16	18,628,442	19,722,406	19,253,869
Provisions for other liabilities and charges	1.p, 1.t and 17	34,547,649	33,041,938	33,150,028
Securitisation of receivables	8 and 18	24,914,706	44,662,025	39,740,412
Deferred tax liabilities	1.q and 11	703,826	5,053,582	786,549
Other non-current liabilities	1.s, 1.t and 1.y	2,579,113	9,005,399	2,739,617
Total non-current liabilities		400,441,144	450,867,351	400,708,481
Current liabilities				
Short-term loans and other loans	1.m, 1.n, 8 and 15	121,924,773	21,656,331	30,942,240
Trade creditors	8	155,791,136	159,763,389	178,732,746
Other current financial liabilities	1.i, 8, 16 and 19	2,449,306	2,392,200	2,171,140
Securitisation of receivables	8 and 18	19,764,541	19,596,453	19,634,161
Other creditors	8	24,877,605	17,522,088	56,752,155
Other current liabilities	1.s and 1.y	169,372,363	202,003,436	197,676,909
Total current liabilities		494,179,724	422,933,897	485,909,351
Total Shareholders' funds and liabilities		1,909,792,227	1,838,107,271	1,861,869,826

The notes are an integral part of the consolidated financial statements at 30 September 2011 and 2010.

The Chief Accountant

Patrícia Maria Cruz Ribeiro da Silva

The Board of Directors

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Consolidated profit and loss account by nature

For the periods ended at 30 September 2011 and 2010 and the year ended at 31 December 2010

(Amounts expressed in euro)	Notes	September 2011 (not audited)	July to September 2011 (not audited)	September 2010 (not audited)	July to September 2010 (not audited)	December 2010
Sales		58,406,562	21,936,962	80,403,198	28,928,828	118,773,668
Services rendered		591,902,261	202,966,508	603,724,478	204,868,739	801,945,320
Other operating revenues		6,294,356	1,957,518	4,606,988	1,820,413	8,224,984
		656,603,179	226,860,988	688,734,664	235,617,980	928,943,972
Cost of sales		(64,118,471)	(25,305,759)	(84,523,370)	(31,018,514)	(127,913,977)
External supplies and services	20	(329,309,958)	(110,569,706)	(359,041,701)	(122,123,121)	(479,774,171)
Staff expenses		(71,054,381)	(23,794,867)	(73,834,637)	(25,074,690)	(96,550,733)
Depreciation and amortisation	1.d, 1.e, 6 and 7	(93,753,186)	(31,862,715)	(98,189,861)	(31,351,413)	(129,542,660)
Provisions and impairment losses	1.p, 1.x and 17	(17,022,137)	(5,791,162)	(11,389,585)	(4,456,632)	(16,030,069)
Other operating costs		(11,081,153)	(3,874,584)	(10,956,822)	(3,468,198)	(14,663,482)
		(586,339,286)	(201,198,791)	(637,935,976)	(217,492,568)	(864,475,092)
Other financial expenses	1.n, 1.o, 1.w, 1.x and 21	(12,324,201)	(4,413,568)	(10,802,905)	(3,666,731)	(14,531,097)
Other financial income	1.o, 1.w and 21	5,495,443	2,337,570	4,314,361	834,001	8,159,770
Current income / (loss)		63,435,135	23,586,199	44,310,144	15,292,682	58,097,553
Income taxation	1.q, 11 and 22	(6,332,822)	1,637,183	(14,448,318)	(5,167,722)	(16,749,346)
Consolidated net income / (loss) for the year		57,102,313	25,223,382	29,861,826	10,124,960	41,348,207
Attributed to:						
Shareholders of parent company	26	57,091,345	25,202,916	29,719,396	10,085,801	41,182,587
Non-controlling interests		10,968	20,466	142,430	39,159	165,620
Earnings per share						
Including discontinued operations:						
Basic		0.16	0.07	0.08	0.03	0.12
Diluted		0.16	0.07	0.08	0.03	0.12
Excluding discontinued operations:						
Basic		0.16	0.07	0.08	0.03	0.12
Diluted		0.16	0.07	0.08	0.03	0.12

The notes are an integral part of the consolidated financial statements at 30 September 2011 and 2010.

The Chief Accountant

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Consolidated statement of comprehensive income

For the periods ended at 30 September 2011 and 2010 and the year ended at 31 December 2010

(Amounts expressed in euro)	Notes	September 2011	September 2010	December 2010
Consolidated net income / (loss) for the year		57,102,313	29,861,826	41,348,207
Components of other consolidated comprehensive income, net of tax				
Changes in currency translation reserve and other	1.w	(132,874)	249,992	357,412
Consolidated comprehensive income for the year		57,102,313	29,861,826	41,348,207
Attributed to:				
Shareholders of parent company		57,091,345	29,719,396	41,182,587
Non-controlling interests		10,968	142,430	165,620

The notes are an integral part of the consolidated financial statements at 30 September 2011 and 2010.

The Chief Accountant

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Consolidated movements in shareholders' funds

For the periods ended at 30 September 2011 and 2010

			Reserves								
(Amounts expressed in euro)	Share capital	Own shares (note 14)	Legal reserves	Share premium	Other reserves	Reserves for Medium Term Incentive Plans (note 27)	Reserves of own shares	Total reserves	Non--controlling interests	Net income / (loss)	Total
2011											
Balance at 31 December 2010	366,246,868	(15,030,834)	1,221,003	775,290,377	(214,095,384)	4,812,753	15,030,834	582,259,583	–	41,182,587	974,658,204
Appropriation of the consolidated net result of 2010											
Transfers to legal reserves and other reserves	–	–	6,770,189	–	34,412,398	–	–	41,182,587	–	(41,182,587)	–
Dividend distribution	–	–	–	–	(17,859,403)	–	–	(17,859,403)	–	–	(17,859,403)
Consolidated comprehensive income for the year ended at 30 September 2011	–	–	–	–	(132,874)	–	–	(132,874)	–	57,091,345	56,958,471
Acquisition of own shares	–	(2,223,287)	–	–	(2,223,287)	–	2,223,287	–	–	–	(2,223,287)
Delivery of own shares under the Medium Term Incentive Plans (notes 1.j) e 27)	–	3,659,603	–	–	1,775,360	(1,604,799)	(3,659,603)	(3,489,042)	–	–	170,561
Effect of the recognition of the Medium Term Incentive Plans (notes 1.j) e 27)	–	–	–	–	–	2,980,254	–	2,980,254	–	–	2,980,254
Balance at 30 September 2011	366,246,868	(13,594,518)	7,991,192	775,290,377	(198,123,190)	6,188,208	13,594,518	604,941,105	–	57,091,345	1,014,684,800
Non-controlling interests											
Balance at 31 December 2010	–	–	–	–	–	–	–	–	593,790	–	593,790
Non-controlling interests in comprehensive income	–	–	–	–	–	–	–	–	10,968	–	10,968
Dividend distribution	–	–	–	–	–	–	–	–	(124,500)	–	(124,500)
Other changes	–	–	–	–	–	–	–	–	6,301	–	6,301
Balance at 30 September 2011	–	–	–	–	–	–	–	–	486,559	–	486,559
Total	366,246,868	(13,594,518)	7,991,192	775,290,377	(198,123,190)	6,188,208	13,594,518	604,941,105	486,559	57,091,345	1,015,171,359

The notes are an integral part of the consolidated financial statements at 30 September 2011 and 2010.

Consolidated movements in shareholders' funds (continued)

For the periods ended at 30 September 2011 and 2010

			Reserves								
(Amounts expressed in euro)	Share capital	Own shares (note 14)	Legal reserves	Share premium	Other reserves	Reserves for Medium Term Incentive Plans (note 27)	Reserves of own shares	Total reserves	Non--controlling interests	Net income / (loss)	Total
2010											
Balance at 31 December 2009	366,246,868	(12,809,015)	1,985,181	775,290,377	(217,116,182)	2,977,695	12,809,015	575,946,086	–	5,748,497	935,132,436
Appropriation of the consolidated net result of 2009	–	–	–	–	5,748,497	–	–	5,748,497	–	(5,748,497)	–
Use of the legal reserve to cover the accumulated losses recorded in the individual accounts	–	–	(764,178)	–	764,178	–	–	–	–	–	–
Consolidated comprehensive income for the year ended at 30 September 2010	–	–	–	–	249,992	–	–	249,992	–	29,719,396	29,969,388
Acquisition of own shares	–	(3,497,605)	–	–	(3,497,605)	–	3,497,605	–	–	–	(3,497,605)
Delivery of own shares under the Medium Term Incentive Plans (notes 1.j) e 27)	–	2,581,035	–	–	1,012,560	(891,639)	(2,581,035)	(2,460,114)	–	–	120,921
Effect of the recognition of the Medium Term Incentive Plans (notes 1.j) e 27)	–	–	–	–	–	2,015,608	–	2,015,608	–	–	2,015,608
Balance at 30 September 2010	366,246,868	(13,725,585)	1,221,003	775,290,377	(212,838,560)	4,101,664	13,725,585	581,500,069	–	29,719,396	963,740,748
Non-controlling interests											
Balance at 31 December 2009	–	–	–	–	–	–	–	–	508,152	–	508,152
Non-controlling interests in comprehensive income	–	–	–	–	–	–	–	–	142,430	–	142,430
Dividend distribution	–	–	–	–	–	–	–	–	(161,850)	–	(161,850)
Increase in supplementary capital	–	–	–	–	–	–	–	–	71,500	–	71,500
Other changes	–	–	–	–	–	–	–	–	5,043	–	5,043
Balance at 30 September 2010	–	–	–	–	–	–	–	–	565,275	–	565,275
Total	366,246,868	(13,725,585)	1,221,003	775,290,377	(212,838,560)	4,101,664	13,725,585	581,500,069	565,275	29,719,396	964,306,023

The notes are an integral part of the consolidated financial statements at 30 September 2011 and 2010.

Consolidated cash flow statements

For the periods ended at 30 September 2011 and 2010

(Amounts expressed in euro)		September 2011		September 2010
Operating activities				
Receipts from trade debtors	638,080,133		704,806,693	
Payments to trade creditors	(409,920,816)		(492,784,269)	
Payments to employees	(79,445,037)		(84,145,668)	
Cash flows from operating activities	148,714,280		127,876,756	
Payments / receipts relating to income taxes, net	(2,058,841)		(3,236,671)	
Other payments / receipts relating to operating activities, net	(9,846,736)		5,586,821	
Cash flows from operating activities (1)	136,808,703	136,808,703	130,226,906	130,226,906
Investing activities				
Receipts from:				
Tangible assets	16,266,882		3,367,079	
Intangible assets	37,463		-	
Interest and similar income	4,519,144	20,823,489	3,799,068	7,166,147
Payments for:				
Financial investments	(8,860,291)		-	
Tangible assets	(74,688,845)		(83,806,873)	
Intangible assets	(15,980,291)		(16,305,678)	
Loans granted	(3,570)	(99,532,997)	-	(100,112,551)
Cash flows from investing activities (2)		(78,709,508)		(92,946,404)
Financing activities				
Receipts from:				
Supplementary capital	-		71,500	
Loans obtained	107,700,000	107,700,000	70,000,000	70,071,500
Payments for:				
Leasing	(1,955,766)		(1,963,102)	
Interest and similar expenses	(12,099,477)		(8,832,708)	
Dividends	(17,983,903)		(161,850)	
Acquisition of own shares	(2,223,287)		(3,497,605)	
Loans obtained	(15,095,748)	(49,358,181)	(82,595,007)	(97,050,272)
Cash flows from financing activities (3)		58,341,819		(26,978,772)
Net cash flows (4)=(1)+(2)+(3)		116,441,014		10,301,730
Effect of the foreign exchanges		(184,610)		98,653
Cash and cash equivalents at the beginning of the period		65,985,051		82,946,871
Cash and cash equivalents at the end of the period		182,241,455		93,347,254

The notes are an integral part of the consolidated financial statements at 30 September 2011 and 2010.

Chief Accountant

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Notes to the consolidated cash flow statements

For the periods ended at 30 September 2011 and 2010

1. Acquisition or sale of subsidiaries or other businesses

	September 2011	September 2010
a) Amounts paid of acquisitions in previous years		
Sontária - Empreendimentos Imobiliários, S.A.	8,860,291	-
	8,860,291	-

2. Details of cash and cash equivalents

	September 2011	September 2010
Cash in hand	111,362	219,300
Cash at bank	5,883,950	5,412,480
Treasury applications	177,030,000	87,785,302
Overdrafts	(783,857)	(69,828)
Cash and cash equivalents	182,241,455	93,347,254
Overdrafts	783,857	69,828
Cash assets	183,025,312	93,417,082

3. Description of non-monetary financing activities

	September 2011	September 2010
a) Bank credit obtained and not used	103,050,000	123,000,000
b) Purchase of company through the issue of shares	Not applicable	Not applicable
c) Conversion of loans into shares	Not applicable	Not applicable

4. Cash flow breakdown by activity

Activity	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Net cash flows
Telecommunication	162,617,092	(67,045,584)	(20,520,494)	75,051,014
Multimedia	(2,642,730)	(608,217)	(133,074)	(3,384,021)
Information Systems	(24,062,864)	(3,490,586)	(234,258)	(27,787,708)
Holding	896,344	(7,552,191)	79,229,685	72,573,838
Others	861	(12,930)	(40)	(12,109)
	136,808,703	(78,709,508)	58,341,819	116,441,014

The notes are an integral part of the consolidated financial statements at 30 September 2011 and 2010.

Chief Accountant

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8.2. Notes to the consolidated financial statements

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

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

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

By decision of the Shareholders' General Meeting held on 12 September 2005, Sonaecom's share capital was increased by Euro 70,276,868, from Euro 226,250,000 to Euro 296,526,868, by the issuance of 70,276,868 new shares of 1 euro each and with a share premium of Euro 242,455,195, 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 by Euro 69,720,000, from Euro 296,526,868 to Euro 366,246,868, by the issuance of 69,720,000 new shares of 1 euro each and with a share premium of Euro 275,657,217, subscribed by 093X – Telecomunicações Celulares, S.A. (EDP) and Parpública – Participações Públicas, SGPS, S.A. (Parpública). The corresponding public deed was executed on 18 October 2006.

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 and 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, United States of America, Panama, Chile, Singapore and Spain.

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, and considering the IAS 34 - "Interim Financial Reporting".

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

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

The following standards, interpretations, amendments and revisions approved (endorsed) by the European Union and that have mandatory application to financial years beginning on or after 1 January 2011 and were first adopted in the period ended at 30 September 2011:

Standard / Interpretation	Effective date (annual periods beginning on or after)
IFRS 1 - Amendment (Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters) The amendment ensures that first-time adopters benefit from the same transition provisions that the Amendment to IFRS 7 introduced in March 2009 (Improving Disclosures about Financial Instruments) provides to current IFRS preparers.	1-Jul-10
Revised IAS 24 (Related Parties Disclosures) The revised standard addresses concerns that the previous disclosure requirements and definition of a 'related party' were too complex and difficult to apply in practice, particularly in environments where government control is pervasive, by: (1) providing a partial exemption for government-related entities; (2) providing a revised definition of a related party.	1-Jan-11
IAS 32 – Amendments (Clarification of issuing rights) The amendment states that if such rights are issued pro rata to an entity's all existing shareholders in the same class for a fixed amount of currency, they should be classified as equity regardless of the currency in which the exercise price is denominated.	1-Feb-10 *
IFRIC 14 – Amendments (Voluntary pre-paid contributions) The amendments correct an unintended consequence of IFRIC 14. Without the amendments, in some circumstances entities are not permitted to recognise as an asset some voluntary prepayments for minimum funding contributions.	1-Jan-11
IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments Clarifies the requirements of IFRSs when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to fully or partially settle the financial liability.	1-Jul-10 *

* The effective date in accordance with the adoption by the EU was subsequent to the effective date originally established by the standard.

The application of these standards had no significant impacts on the consolidated financial statements of the Group.

The following standards, interpretations, amendments and revisions have been at the date of approval of these financial statements, approved (endorsed) by the European Union, whose application is mandatory only in future financial years:

Standard / Interpretation	Effective date (annual periods beginning on or after)
Improvements to IFRSs – 2008/2010 This process included the review of 7 accounting standards.	18-Feb-11*

* The effective date in accordance with the adoption by the EU was subsequent to the effective date originally established by the standard.

These standards, although approved (endorsed) by the European Union, were not adopted by the Group for the period ended at 30 September 2011, as the application of these standards is not yet mandatory. No significant impacts are expected to arise in the financial statements resulting from the adoption of the same.

The following standards, interpretations, amendments and revisions have not yet been approved (endorsed) by the European Union, at the date of approval of these financial statements:

Standard / Interpretation	Effective date (annual periods beginning on or after)
IAS 12 - Amendments (Deferred tax: Recovery of Underlying Assets) The amendment introduces, in the case of investment properties measured using the fair value model, the presumption that recovery of the carrying amount will normally be through sale, in order to determine their tax impact. As a result of the amendments, SIC 21 - 'Income Taxes—Recovery of Revalued Non-Depreciable Assets' would no longer apply to investment properties carried at fair value. The amendments also incorporate into IAS 12 the remaining guidance previously contained in SIC-21, which is accordingly withdrawn.	1-Jan-12

Standard / Interpretation	Effective date (annual periods beginning on or after)
IFRS 1 - Amendments (Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters) The amendments: 1) replace the fixed dates in the derecognition exception and the exemption related to the initial fair value measurement of financial instruments; and 2) add a deemed cost exemption to IFRS 1 that an entity can apply at the date of transaction to IFRSs after being subject to severe hyperinflation.	1-Jul-11
IFRS 7 - Financial Instruments: Disclosures - Amendments (issued 7 October 2010) The amendment requires disclosures to improve the understanding of transfer transactions of financial assets (for example, securitisations), including understanding the possible effects of any risks that may remain after the transfer. It also requires additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.	1-Jul-11
IFRS 9 - Financial Instruments This standard is the first step in the project to replace IAS 39, and it introduces new requirements for classifying and measuring financial assets.	1-Jan-13
IFRS 10 - Consolidated Financial Builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.	1-Jan-13
IFRS 11 - Joint Arrangements Provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case). The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities.	1-Jan-13
IFRS 12 - Disclosures of Interests in Other Entities New and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.	1-Jan-13
IFRS 13 - Fair Value Measurement It will improve consistency and reduce complexity by providing, for the first time, a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs.	1-Jan-13
IAS 1 - Presentation of Items of Other Comprehensive Income The amendments to IAS 1 require companies preparing financial statements in accordance with IFRSs to group together items within OCI that may be reclassified to the profit or loss section of the income	1-Jul-12
IAS 19 - Employee Benefits The amendments make important improvements by eliminating an option to defer the recognition of gains and losses, known as the 'corridor method', improving comparability and faithfulness of presentation, streamlining the presentation of changes in assets and liabilities arising from defined benefit plans and enhancing the disclosure requirements for defined benefit plans.	1-Jan-13

Standard / Interpretation	Effective date (annual periods beginning on or after)
IAS 27 - Separate Financial Statements Consolidation requirements previously forming part of IAS 27 have been revised and are now contained in IFRS 10 Consolidated Financial Statements´.	1-Jan-13
IAS 28 - Investments in Associates and Joint Ventures The objective of IAS 28 (as amended in 2011) is to prescribe the accounting for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.	1-Jan-13

The application of these standards and interpretations, when applicable, will have no material effect on future consolidated financial statements.

The accounting policies and measurement criteria adopted by the Group at 30 September 2011 are comparable with those used in the preparation of the consolidated financial statements at 31 December 2010.

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 'Non-controlling interests'.

Total comprehensive income is attributed to the owners of the Shareholders of parent company and the non-controlling interests even if this results in a deficit balance of non-controlling interests.

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 recorded as cost when they are incurred.

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 under 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, a 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 under the profit and loss statement caption 'Depreciation and amortisation'.

Impairment losses detected in the realisation value of tangible assets are recorded in the year in which they arise, by a corresponding charge under 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	10-40
Other plant and machinery	8-16
Vehicles	4
Fixtures and fittings	3-10
Tools	4-8
Other tangible assets	4-8

During the period ended at 30 September 2011, the Board of Directors of the Group proceeded with prospective effect to the revision of the estimated useful life of a set of assets related to the telecommunications networks and mobile telephones, based on evaluation reports produced by specialised independent agencies.

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

The estimated costs related with the mandatory dismantling and removal of tangible assets, incurred by the Group, are capitalised and amortised 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 (one 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, so, the UMTS license is being amortised until 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 (six 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
The differences between the price of investments in subsidiaries and associated companies added the value of non-controlling interests, 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 reappreciation of its calculation, are recorded directly in the profit and loss statement. The Group will chose, on an acquisition-by-acquisition basis, to measure non-controlling interests either at their proportionate interest on the fair value of the assets and liabilities acquired, or at the fair value of the non-controlling interests themselves. Until 1 January 2010, non--controlling interests were always measured at their proportionate interest on the fair value of the acquired assets and liabilities.

Contingent consideration is recognised as a liability, at the acquisition-date, according to its fair value, and any changes to its value are recorded as a change in the 'Goodwill', but only as long as they occur during the 'measurement period' (until 12 months after the acquisition-date) and as long as they relate to facts and circumstances that existed at the acquisition date, otherwise these changes must be recognised in profit or loss.

Transactions regarding the acquisition of additional interests in a subsidiary after control is obtained, or the partial disposal of an investment in a subsidiary while control is retained, are accounted for as equity transactions impacting the shareholders funds captions, and without giving rise to any additional 'Goodwill' and without any gain or loss recognised.

The moment a sales transaction to generate a loss of control, should be derecognised assets and liabilities of the entity and any interest retained in the entity sold should be remeasured at fair value and any gain or loss calculated on the sale is recorded in results.

Until 1 January 2004, 'Goodwill' was amortised over the estimated period of recovery of the investments, usually 10 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'.

h) Financial instruments
The Group classifies its financial instruments 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 12 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 12 months from the balance sheet date, a 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 12 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 is based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using 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, and are registered in profit and loss statement, in 'Cost of sales', since 1 January 2010. Until this date, were registered on 'Provisions and accumulated impairment losses'.

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 instruments 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 and are registered in profit and loss statement in heading 'Provisions and accumulated 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, under 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.

At 30 September 2011, the Group did not have any derivative.

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 – 'Income Taxes'.

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 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 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 under the 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 Optimus – 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 under 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 captions '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', ie, 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 – 'Share-based Payment', the responsibility related with the Medium Term Incentive Plans is registered under the heading of 'Reserves for Medium Term Incentive Plans', which are not distributable and which can not be used to absorb losses.

Hedging reserve

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

Own shares reserve

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

Under Portuguese law, the amount of distributable reserves is determined in accordance with the individual financial statements of the Company, presented in accordance with IAS / IFRS. Therefore, at 30 September 2011, Sonaecom, SGPS, S.A., have reserves which by their nature are considered distributable, amounted around Euro 107 million.

v) Own shares

Own shares are recorded as a deduction of Shareholders' funds. Gains or losses arising 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 under 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 and the balances in foreign currency:

	2011		2010	
	30 September	Average	30 September	Average
Pounds Sterling	1.1539	1.1478	1.1629	1.1677
Brazilian Real	0.3989	0.4366	0.4310	0.4283
American Dollar	0.7406	0.7112	0.7327	0.7625
Polish Zloti	0.2270	0.2493	0.2510	0.2499
Australian Dollar	0.7208	0.7389	0.7107	0.6833
Mexican Peso	0.0538	0.0592	0.0584	0.0600
Egyptian Pound	0.1252	0.1219	0.1342	0.1343
Malaysian Ringgit	0.2320	0.2349	0.2375	0.2347
Chilean Peso	0.0014	0.0015	0.0015	0.0015
Singapore Dollar	0.5685	0.5704	0.5574	0.5516
Swiss Franc	0.8217	0.8123	-	-

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;
- 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, calculated in terms of value in use, 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, ie, 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:

(i) 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';

(ii) 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';

(iii) The net effect of the entries in (i) and (ii) above eliminate the original entry to 'Shareholders' funds';

(iv) 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 under the balance sheet captions 'Other non-current liabilities' and 'Other current liabilities' by a corresponding entry under 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 under the balance sheet captions 'Other non-current liabilities' and 'Other current liabilities' by a corresponding entry under 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.

At 30 September 2011, all Sonaecom share plans were covered through the detention of own shares. The impacts associated to such plans as the Medium Term Incentive Plans are registered, in the balance sheet, under the caption 'Medium Term Incentive Plans Reserve'. The cost is recognised under the profit and loss statement caption 'Staff expenses'.

At 30 September 2011, all equity-settled plans to be liquidated through the delivery of shares of the parent company were covered by contracts with an external entity under which the acquisition price of those shares was fixed. Therefore, 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, under the captions 'Other non-current liabilities' and 'Other current liabilities'. The cost is recognised on the income statement under the caption 'Staff expenses'.

z) Subsequent events

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

aa) Judgements and estimates

The most significant accounting estimates reflected in the consolidated financial statements of the periods ended at 30 September 2011 and 2010, are as follows:

(i) Useful lives of tangible and intangible assets;

(ii) Impairment analysis of goodwill and of other tangible and intangible assets;

(iii) Recognition of impairment losses on assets (Trade debtors and Inventories) and provisions;

(iv) 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 – 'Accounting Policies, Changes in Accounting Estimates and Errors', 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 countries with a different currency than Euro namely Brazil, United Kingdom, Poland, United States of America, Mexico, Australia, Egypt, Chile, Panama, Singapore 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, making 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, when it is deemed necessary, 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.

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, ie, 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, ie to minimise the probability of default in any reimbursement of application of funds; and (iii) Financial Efficiency, ie, to ensure that the Group maximises 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 reduce 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 note 15.

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, as well as credit insurances, which all contribute to the mitigation of credit risk.

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

2. Companies included in the consolidation

Group companies included in the consolidation through full consolidation method, their head offices, main activities, Shareholders and percentage of share capital held at 30 September 2011 and 2010, are as follows:

Percentage of share capital held

				2011		2010	
Company (Commercial brand)	Head office	Main activity	Shareholder	Direct	Effective*	Direct	Effective*
Parent company							
SONAECOM, S.G.P.S., S.A. ('Sonaecom')	Maia	Management of shareholdings.		–	–	–	–
Subsidiaries							
Be Artis – Concepção, Construção e Gestão de Redes de Comunicações, S.A. ('Artis')	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.	Optimus	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%
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.	Sonaecom SI	75.10%	75.10%	75.10%	75.10%
Lugares Virtuais, S.A. ('Lugares Virtuais')	Maia	Organisation and management of electronic online portals, content acquisition, management of electronic auctions, acquisition and deployment of products and services electronically and any related activities.	Miauger	100%	100%	100%	100%
Mainroad – Serviços em Tecnologias de Informação, S.A. ('Mainroad')	Maia	Rendering of consultancy services in IT areas.	Sonaecom SI	100%	100%	100%	100%
Miauger – Organização e Gestão de Leilões Electrónicos, S.A. ('Miauger')	Maia	Organisation and management of electronic auctions of products and services on-line.	Sonaecom	100%	100%	100%	100%
M3G – Edições Digitais, S.A. ('M3G') (a)	Maia	Digital publishing, electronic publishing and production of Internet contents.	Público	Dissolved		100%	100%
Optimus - Comunicações, S.A. ('Optimus')	Maia	Implementation, operation, exploitation and offer of networks and rendering services of electronic comunications and related resources; offer and commercialisation of products and equipments of electronic communications.	Sonaecom Sonae Telecom Sonaecom BV	64.14% 35.86% -	64.14% 35.86% -	53.54% 35.86% 10.60%	53.54% 35.86% 10.60%
Per-Mar – Sociedade de Construções, S.A. ('Per-Mar')	Maia	Purchase, sale, renting and operation of property and commercial establishments.	Optimus	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%
PCJ - Público, Comunicação e Jornalismo, S.A. ('PCJ') (b)	Maia	Editing, composition and publication of periodical and non-periodical material and the exploration of radio and TV stations and studios	Sonaecom	100%	100%	–	–
Público – Comunicação Social, S.A. ('Público')	Oporto	Editing, composition and publication of periodical and non-periodical material.	Sonaecom Sonaetelecom BV	100% –	100% –	– 100%	– 100%

* Sonaecom effective participation

(a) Company dissolved in September 2011

(b) Company established in December 2010

				Percentage of share capital held			
					2011		2010
Company (Commercial brand)	Head office	Main activity	Shareholder	Direct	Effective*	Direct	Effective*
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.	Sonaecom SI	86.995%	86.995%	86.995%	86.995%
Sonae com – Sistemas de Informação, S.G.P.S., S.A. ('Sonae com SI')	Maia	Management of shareholdings in the area of corporate ventures and joint ventures.	Sonaecom	100%	100%	100%	100%
Sonaecom - Sistemas de Información Espanã, S.L. ("SSI Espanã")	Madrid	Rendering of consultancy services in the area of information systems.	Sonaecom SI	100%	100%	100%	100%
Sonaecom BV	Amsterdam	Management of shareholdings.	Sonaecom	100%	100%	100%	100%
Sonae Telecom, S.G.P.S., S.A. ('Sonae Telecom')	Maia	Management of shareholdings in the area of telecommunications.	Sonaecom	100%	100%	100%	100%
Sonaetelecom BV	Amsterdam	Management of shareholdings.	Sonaecom	100%	100%	100%	100%
Sontária - Empreendimentos Imobiliários, S.A. ('Sontária') (c)	Maia	Realisation of urbanisation and building construction, planning, urban management, studies, construction and property management, buy and sale of properties and resale of purchased for that purpose.	Sonaecom	100%	100%	–	–
Tecnológica Telecomunicações, LTDA. ('Tecnológica')	Rio de Janeiro	Rendering of consultancy and technical assistance in the area of IT systemsand telecommunications	We Do Brasil	99.99%	99.99%	99.99%	99.90%
We Do Consulting – Sistemas de Informação, S.A. ('We Do')	Maia	Rendering of consultancy services in the area of information systems.	Sonaecom SI	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. ('We Do Poland')	Posnan	Rendering of consultancy services in the area of information systems.	Cape Technologies	100%	100%	100%	100%
We Do Technologies Americas, Inc ('We Do US')	Wilmington	Rendering of consultancy services in the area of information systems.	Cape Technologies	100%	100%	100%	100%
We Do Technologies Australia PTY Limited ('We Do Asia')	Sydney	Rendering of consultancy services in the area of information systems.	Cape Technologies	100%	100%	100%	100%
We Do Technologies BV ('We Do BV')	Amsterdam	Management of shareholdings.	We Do	100%	100%	100%	100%
We Do Technologies BV – Malaysian Branch ('We Do Malásia')	Kuala Lumpur	Rendering of consultancy services in the area of information systems.	We Do BV	100%	100%	100%	100%
We Do Technologies Chile SpA ("We Do Chile")	Chile	Rendering of consultancy services in the area of information systems.	We Do BV	100%	100%	100%	100%
We Do Technologies Egypt LLC ('We Do Egypt')	Cairo	Rendering of consultancy services in the area of information systems.	We Do BV Sonaecom BV Sonaetelecom BV	90% 5% 5%	90% 5% 5%	90% 5% 5%	90% 5% 5%
We Do Technologies (UK) Limited ('We Do UK')	Berkshire	Management of shareholdings.	We Do	100%	100%	100%	100%
We Do Technologies Mexico, S de R.L. ('We Do Mexico')	Mexico City	Rendering of consultancy services in the area of information systems.	Sonaecom BV We Do BV	5% 95%	5% 95%	5% 95%	5% 95%
We Do Technologies Panamá S.A. ("We Do Panamá")	Panamá City	Rendering of consultancy services in the area of information systems.	We Do BV	100%	100%	100%	100%
We Do Technologies Singapore PTE. LTD. ("We Do Singapura")	Singapore	Rendering of consultancy services in the area of information systems.	We Do BV	100%	100%	100%	100%

* Sonaecom effective participation

(c) Company adquired in December 2010

All the above companies were included in the consolidation in accordance with the full consolidation method under the terms of IAS 27 – 'Consolidated and Separate Financial Statements' (majority of voting rights, through the ownership of shares in the companies).

3. Companies jointly controlled

At 30 September 2011 and 2010, the Group jointly controls and consolidates through the proportional method the following company:

Percentage of share capital held

				2011		2010	
Company (Commercial brand)	Head office	Main activity	Shareholder	Direct	Effective*	Direct	Effective*
Unipress – Centro Gráfico, Lda. ('Unipress')	V.N. Gaia	Trade and industry of graphic design and publishing.	Público	50%	50%	50%	50%

*Sonaecom effective participation

At 30 September 2011 and 2010, the main impacts arising from the consolidation by the proportional method of the above mentioned entity, are as follows (debit / (credit)):

	2011	2010
Non-current assets	2,207,396	2,804,816
Current assets	937,956	725,487
Non-current liabilities	(2,088,096)	(2,708,129)
Current liabilities	(460,816)	(250,483)
Net result	167,892	193,962
Total revenues	(1,317,671)	(1,386,036)
Total costs	1,149,779	1,192,074

4. Investments in associated companies

At 30 September 2011 and 2010, this caption included an investment in an associated company, of which the head office, main activity, shareholder, percentage of share capital held and book value were as follows:

Percentage of share capital held

				2011		2010		Book value	
Company (Commercial brand)	Head office	Main activity	Shareholder	Direct	Effective*	Direct	Effective*	2011	2010
Associated companies									
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)
								–	–

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

The associated company was 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 company and the Group accounting policies, since there were no significant differences.

At 30 September 2011 and 2010, the assets, liabilities, total revenues and net results of the associated company were as follows:

Company	Assets	Liabilities	Total revenues	Net results
2011				
Sociedade Independente de Radiodifusão Sonora, S.A.	668,373	659,184	733,192	39,623
2010				
Sociedade Independente de Radiodifusão Sonora, S.A.	647,221	569,893	849,116	107,992

5. Changes in the Group

During the period ended at 30 September 2011 and 2010, there were the following changes in the group:

a) Constitutions

Subsidiary	Subsidiary	Date	Share capital	Current % shareholding
2010				
We Do BV	SSI Espanã	Jan-10	3,010 EUR	100.00%
We Do BV	We Do Singapore	Jan-10	1 SGD	100.00%
We Do BV	We Do Panamá	Feb-10	1,000 USD	100.00%
We Do BV	We Do Chile	Apr-10	500,000 CLP	100.00%

b) Dissolutions

	Shareholder	Date	% shareholding
2011			
M3G	Público	Set-11	100%

6. Tangible assets

The movement in tangible assets and in the corresponding accumulated depreciation and impairment losses in the periods ended at 30 September 2011 and 2010 was as follows:

									2011
	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 December 2010	1,391,593	291,774,394	1,035,279,721	185,510	191,447,203	1,164,237	5,543,321	40,982,832	1,567,768,811
Additions	-	57,983	4,758,751	-	11,030,984	8,970	2,016	38,325,834	54,184,538
Disposals	-	(215,400)	(42,642,627)	(515)	(3,212,080)	(4,192)	-	-	(46,074,814)
Transfers and write-offs	-	7,020,040	38,309,857	-	(1,068,539)	3,817	61,562	(55,251,857)	(10,925,120)
Balance at 30 September 2011	1,391,593	298,637,017	1,035,705,702	184,995	198,197,568	1,172,832	5,606,899	24,056,809	1,564,953,415
Accumulated depreciation and impairment losses									
Balance at 31 December 2010	-	153,589,162	647,567,969	103,516	169,023,979	1,124,067	3,990,377	-	975,399,070
Depreciation for the year	-	9,068,273	40,976,429	24,629	13,809,523	11,294	565,873	-	64,456,021
Disposals	-	(97,734)	(35,609,844)	(268)	(3,185,271)	(1,824)	-	-	(38,894,941)
Transfers and write-offs	-	(1,021,257)	(5,179,465)	-	(3,523,379)	(4,002)	-	-	(9,728,103)
Balance at 30 September 2011	-	161,538,444	647,755,089	127,877	176,124,852	1,129,535	4,556,250	-	991,232,047
Net value	1,391,593	137,098,573	387,950,613	57,118	22,072,716	43,297	1,050,649	24,056,809	573,721,368

									2010
	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 December 2009	1,391,593	269,275,732	955,961,416	331,913	172,948,905	1,192,268	5,302,033	99,788,542	1,506,192,402
Additions	–	164,906	3,594,089	57,419	11,481,625	122	79,092	48,170,509	63,547,762
Disposals	–	(89,015)	(11,015,596)	(169,163)	(668,001)	–	–	–	(11,941,775)
Transfers and write-offs	–	10,092,011	89,652,121	–	3,545,327	14,798	136,432	(114,774,206)	(11,333,517)
Balance at 30 September 2010	1,391,593	279,443,634	1,038,192,030	220,169	187,307,856	1,207,188	5,517,557	33,184,845	1,546,464,872
Accumulated depreciation and impairment losses									
Balance at 31 December 2009	–	141,241,132	627,788,784	100,943	148,814,944	1,151,389	3,675,719	–	922,772,911
Depreciation for the year	–	8,545,029	45,059,158	40,358	15,283,281	14,689	493,818	–	69,436,333
Disposals	–	(10,795)	(9,501,667)	(34,641)	(436,808)	–	–	–	(9,983,911)
Transfers and write-offs	–	25,248	(5,875,258)	–	832,252	–	–	–	(5,017,758)
Balance at 30 September 2010	–	149,800,614	657,471,017	106,660	164,493,669	1,166,078	4,169,537	–	977,207,575
Net value	1,391,593	129,643,020	380,721,013	113,509	22,814,187	41,110	1,348,020	33,184,845	569,257,297

The additions that occurred during the period included: assets associated with the UMTS operation (Universal Mobile Telecommunications Service), HSDPA (Kanguru Express), GSM (Global Standard for Mobile Communications), GPRS (General Packet Radio Service) and FTTH (Fibre-to-the-Home).

The acquisition cost of 'Tangible assets' held by the Group under finance lease contracts, amounted to Euro 31,582,929 and Euro 30,541,539 as of 30 September 2011 and 2010, and their net book value as of those dates amounted to Euro 18,308,825 and Euro 19,267,919, respectively.

At 30 September 2011, the heading 'Tangible assets' included an amount of Euro 22.1 million that relates to the net book value of the telecommunications equipment delivered to customers, under free lease agreements with a pre-defined period.

At 30 September 2011 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.

During the period ended at 30 September 2011, the Board of Directors of the Group proceeded with prospective effect, to the revision of estimated useful life of a set of tangible assets and software, related to the mobile and fixed telecommunications networks and all assets related with the UMTS network, which were then recorded prospectively at 1 January 2011. This impact was that the depreciation in the period ended at 30 September 2011 was approximately Euro 7.2 million lower, than in the period ended at 30 September 2010.

The transfers of the period include the transfer for 'Intangible Assets' of a set of assets that were hitherto classified as 'Tangible assets in progress' (note 7).

'Tangible assets in progress' at 30 September 2011 and 2010 were made up as follows:

	2011	2010
Development of mobile and fixed network	19,514,504	31,570,328
Information systems	402,928	461,839
Other projects in progress	4,139,377	1,152,678
	24,056,809	33,184,845

At 30 September 2011 and 2010, the amounts of commitments to third parties relating to investments to be made were as follows:

	2011	2010
Network	35,219,603	23,904,414
Information systems	1,738,029	3,473,083
	36,957,632	27,377,497

7. Intangible assets

In the periods ended at 30 September 2011 and 2010, the movement occurred in Intangible assets and in the corresponding accumulated amortization and impairment losses, was as follows:

				2011
	Brands and patents and other rights	Software	Intangible assets in progress	Total
Gross assets				
Balance at 31 December 2010	310,619,467	264,381,328	16,085,854	591,086,649
Additions	3,928,630	1,484,562	12,223,027	17,636,219
Disposals	(97)	(63,288)	–	(63,385)
Transfers and write-offs	(12,711)	22,817,370	(21,707,010)	1,097,649
Balance at 30 September 2011	314,535,289	288,619,972	6,601,871	609,757,132
Accumulated amortisation and impairment losses				
Balance at 31 December 2010	106,547,783	211,641,924	–	318,189,707
Amortisation for the year	12,942,862	16,354,304	–	29,297,166
Disposals	(97)	(33,678)	–	(33,775)
Transfers and write-offs	(36)	(326,395)	–	(326,431)
Balance at 30 September 2011	119,490,512	227,636,155	–	347,126,667
Net value	195,044,777	60,983,817	6,601,871	262,630,465

				2010
	Brands and patents and other rights	Software	Intangible assets in progress	Total
Gross assets				
Balance at 31 December 2009	304,081,633	229,169,691	19,212,155	552,463,479
Additions	6,340,706	1,672,993	15,961,300	23,974,999
Transfers and write-offs	(312,898)	26,070,445	(20,587,350)	5,170,197
Balance at 30 September 2010	310,109,441	256,913,129	14,586,105	581,608,675
Accumulated amortisation and impairment losses				
Balance at 31 December 2009	86,606,233	192,163,071	–	278,769,304
Amortisation for the year	14,863,193	13,890,335	–	28,753,528
Transfers and write-offs	70	105,190	–	105,260
Balance at 30 September 2010	101,469,496	206,158,596	–	307,628,092
Net value	208,639,945	50,754,533	14,586,105	273,980,583

Under the agreed terms resulting from the grant of the UMTS License, Optimus – Comunicações, S.A., 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 Optimus – 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 specifically for this purpose. At 30 September 2011, 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 Optimus – Comunicações S.A. and MOPTC, through contributions to the 'Iniciativas 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 'Fundação para as Comunicações Móveis' (Foundation for Mobile Communications), established by the three mobile operators with businesses in Portugal. All responsibility is recognised as an additional cost of UMTS license, against an entry in the captions 'Other non-current liabilities' and 'Other current liabilities'. Thus, at 30 September 2011, all the responsibilities with such commitments are fully recorded in the attached consolidated financial statements.

At 30 September 2011, the caption 'Brands and patents and other rights' includes the amount of Euro 111.5 million that correspond at the present value of the estimate responsibility with 'Initiatives E' project, recorded in June 2008 and updated in September 2009.

At 30 September 2011 and 2010, the Group kept recorded under the heading 'Intangible assets' the amounts of Euro 184,066,702 and Euro 193,628,608, respectively, that correspond to the investments net of depreciations made in the development of the UMTS network, including: (i) Euro 57,755,546 (2010: Euro 60,755,834) related to the license; (ii) Euro 19,298,245 (2010: Euro 20,300,752) related to the agreement signed in 2002 between Oni Way and the other three mobile telecommunication operators with activity in Portugal; (iii) Euro 5,927,074 (2010: Euro 6,234,974) related to a contribution to the 'Fundação para as Comunicações Móveis'', established in 2007, under an agreement entered with 'MOPCT' and the three mobile telecommunication operators in Portugal; and (iv) Euro 96,151,171 (2010: Euro 101,146,037) related with the programme 'Initiatives E', these last two associated to the commitments assumed by the Group in relation to the 'Information Society'.

The intangible assets in progress, at 30 September 2011 and 2010, were mainly composed of software development.

The assessment of impairment for the main tangible and 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 analysed separately.

Intangible and tangible assets include interest and other financial expenses incurred, directly related to the construction of certain items of work in progress.

At 30 September 2011 and 2010, the total gross of these expenses amounted to Euro 20,025,316 and Euro 19,448,736, respectively. The amounts capitalised in the periods ended at 30 September 2011 and 2010 were Euro 555,413 and Euro 937,665, respectively. An interest capitalisation rate of 1.81% was used in 2011 (1.545% in 2010), which corresponds to the average interest rate supported by the Group.

8. Breakdown of financial instruments

At 30 September 2011 and 2010, the breakdown of financial instruments was as follows:

					2011
	Loans and receivables	Investments available for sale	Subtotal	Others not covered by IFRS 7	Total
Non-current assets					
Investments available for sale (note 10)	–	212,323	212,323	–	212,323
	–	212,323	212,323	–	212,323
Current assets					
Trade debtors	133,201,825	–	133,201,825	–	133,201,825
Other current debtors	18,556,870	–	18,556,870	13,995,946	32,552,816
Cash and cash equivalents (note 12)	183,025,312	–	183,025,312	–	183,025,312
	334,784,007	–	334,784,007	13,995,946	348,779,953

					2010
	Loans and receivables	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	134,304,340	–	134,304,340	–	134,304,340
Other current debtors	20,911,840	–	20,911,840	5,849,587	26,761,427
Cash and cash equivalents (note 12)	93,417,082	–	93,417,082	–	93,417,082
	248,633,262	–	248,633,262	5,849,587	254,482,849

					2011
	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)	319,067,408	–	319,067,408	–	319,067,408
Other non-current financial liabilities (note 16)	–	18,628,442	18,628,442	–	18,628,442
Securitisation of receivables (note 18)	24,914,706	–	24,914,706	–	24,914,706
	343,982,114	18,628,442	362,610,556	–	362,610,556
Current liabilities					
Short-term loans and other loans (note 15)	121,924,773	–	121,924,773	–	121,924,773
Trade creditors	–	155,791,136	155,791,136	–	155,791,136
Other current financial liabilities (note 16 and 19)	–	2,449,306	2,449,306	–	2,449,306
Securitisation of receivables (note 18)	19,764,541	–	19,764,541	–	19,764,541
Other creditors	–	2,938,907	2,938,907	21,938,698	24,877,605
	141,689,314	161,179,350	302,868,664	21,938,698	324,807,362

					2010
	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)	334,432,001	–	334,432,001	–	334,432,001
Other non-current financial liabilities (note 16)	–	19,722,406	19,722,406	–	19,722,406
Securitisation of receivables (note 18)	44,662,025	–	44,662,025	–	44,662,025
	379,094,026	19,722,406	398,816,432	–	398,816,432
Current liabilities					
Short-term loans and other loans (note 15)	26,606,331	–	26,606,331	–	26,606,331
Trade creditors	–	159,763,389	159,763,389	–	159,763,389
Other current financial liabilities (note 16 and 19)	–	2,392,200	2,392,200	–	2,392,200
Securitisation of receivables (note 18)	19,596,453	–	19,596,453	–	19,596,453
Other creditors	–	3,107,024	3,107,024	14,415,064	17,522,088
	46,202,784	165,262,613	211,465,397	14,415,064	225,880,461

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 of 'Other current assets' and 'Other current liabilities' were not included in this note, as the nature of such balances are not within the scope of IFRS 7.

9. Goodwill

For the periods ended at 30 September 2011 and 2010, the movements occurred in Goodwill were as follows:

	2011	2010
Opening balance	526,141,552	526,106,175
Movements of the year	(7,821)	36,444
Closing balance	526,133,731	526,142,619

For the periods ended at 30 September 2011 and 2010, the caption 'Movements of the year' includes, the exchange rate update of the Goodwill.

Goodwill at 30 September 2011 and 2010 was made up as follows:

	2011	2010
Optimus	485,092,375	485,092,375
Público	20,000,000	20,000,000
Cape Technologies	17,476,354	17,476,354
We Do	1,971,668	1,971,668
Praesidium Services	1,140,850	1,149,738
Unipress	321,698	321,698
S.I.R.S.	72,820	72,820
Per-Mar	47,253	47,253
Be Towering	10,713	10,713
	526,133,731	526,142,619

The evaluation of the existence of impairment losses in Goodwill is made by taking into account the cash-generating units, 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 five 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% and others considered more conservative. In situations where the measurement of the existence, or not, of impairment is made based on the net selling price, values of similar transactions and other proposals made are used.

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

10. Investments available for sale

At 30 September 2011 and 2010, this caption included investments classified as available-for-sale and was made up as follows:

	%	2011	2010
Lusa – Agência de Notícias de Portugal, S.A.	1.38%	197,344	197,344
VISAPRESS - Gestão de Conteúdos dos Média, CRL	10.00%	5,000	-
Altitude, SGPS, S.A.	-	-	1,000,000
Others	-	9,979	9,976
		212,323	1,207,320

During the periods ended at 30 September 2011 and 2010, the heading 'Investments available for sale' did not present any movements.

On last quarter of 2010, the Group sold the investment on Altitude, SGPS, S.A., and generated a capital gain of Euro 2,091,120.

At 30 September 2011, 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' funds	Gross debt	Turnover	Operational results	Net income
Lusa – Agência de Notícias de Portugal, S.A. (1)	18,603	8,624	5,017	19,213	1,093	654
VISAPRESS - Gestão de Conteúdos dos Média, CRL (1)	15	(49)	-	-	(113)	(114)

(1) Amounts expressed in thousands euro at 31 December 2010.

11. Deferred taxes

Deferred tax assets at 30 September 2011 and 2010, amounted to Euro 105,384,838 and Euro 114,683,784, respectively, and arose, mainly, from tax losses carried forward, temporary differences and from differences between the accounting and tax amount of some fixed assets.

The movements in deferred tax assets in the periods ended at 30 September 2011 and 2010 were as follows:

	2011	2010
Opening balance	109,587,224	121,894,677
Impact on results:		
Tax losses carried forward	(4,105,386)	2,727,243
Movements in provisions not accepted for tax purposes and tax benefits	981,228	705,694
Deferred tax assets not recorded in previous years	11,278,074	-
Temporary net differences between the tax and the accounting amount of certain fixed assets	(9,891,222)	(8,269,986)
Temporary differences arising from the securitisation of receivables (Optimus)	(2,415,000)	(2,415,000)
Sub-total effect on results (note 22)	(4,152,306)	(7,252,049)
Others	(50,080)	41,156
Closing balance	105,384,838	114,683,784

At 31 December 2008, deferred tax assets were recognised in the amount of Euro 16.1 million with regard to the securitisation 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 (Decree-Law) 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. Until 30 September 2011, an amount of Euro 8.9 million was reversed corresponding to the reversal of the above referred temporary difference.

Deferred taxes related to the IAS / IFRS adjustments correspond to the temporary differences generated in the companies included in consolidation and result from the fact that IAS / IFRS conversion adjustments, recorded in these companies at 31 December 2009, already considered in consolidated financial statements under IAS / IFRS, from previous years, only be considered for tax purposes, linearly, for a period of five years between 2010 and 2014.

Deferred taxes related to the UMTS license refers to temporary differences related to the value of the UMTS license, of the subsidiary Optimus. In consolidated financial statements and in accordance with IAS / IFRS, the license was amortised linearly, by the estimated period of useful life. For tax purposes, until the year 2009, the UMTS license was amortised using, on the first five years of commercial operation, from 2004 to 2008, incremental monthly basis depending of the capacity of the network installed, which would be applied after the straight-line monthly basis until the term of the license. Thus, the group recorded deferred tax assets relating to the temporary differences between the value of the license for tax purposes and the value recorded in the consolidated financial statements.

At 30 September 2011 and 2010, assessments of the deferred tax assets to be recognised were made. Potential deferred tax assets were recorded to the extent that future taxable profits were expected to be generated against which the tax losses and deductible tax differences could be used. These assessments were made based on the most recent business plans duly approved by the Board of Directors of the Group companies, which are periodically reviewed and updated.

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

The rate used at 30 September 2011 and 2010 to calculate the deferred tax assets relating to tax losses carried forward was 25%. The rate used to calculate other deferred tax assets was 26.5%. It wasn't considered the state surcharge, as it was understood to be unlikely the taxation of temporary differences during the estimated period when the referred rate will be applicable.

In accordance with the tax returns and other information prepared by the companies that have registered deferred tax assets, the detail of such deferred tax assets, by nature, at 30 September 2011 was as follows:

		Companies excluded of the tax group				
Nature	Companies included in the tax group	Digitmarket	Cape Technologies	We Do Brasil	Total	Total Sonaecom Group
Tax losses:						
To be used until 2012	74.183	–	–	–	–	74.183
To be used until 2013	126.771	–	–	–	–	126.771
To be used until 2014	–	–	–	–	–	–
To be used until 2015	6.199.247	–	–	–	–	6.199.247
Unlimited utilisation	–	–	134.506	482.775	617.281	617.281
Tax losses	6.400.201	–	134.506	482.775	617.281	7.017.482
Tax provisions not accepted and other temporary differences	31.234.226	35.354	–	–	35.354	31.269.580
Tax benefits (SIFIDE)	2.145.525	–	–	–	–	2.145.525
Adjustments in the conversion to IAS/IFRS	21.886.283	684	–	(50.339)	(49.655)	21.836.628
Temporary differences arising from the securitisation of receivables	7.245.000	–	–	–	–	7.245.000
of certain fixed assets and others	35.870.623	–	–	–	–	35.870.623
Total	104.781.858	36.038	134.506	432.436	602.980	105.384.838

At 30 September 2011 and 2010, 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 asse ts were not recorded:

	2011	2010
Tax losses	43,848,475	57,773,006
Temporary differences (provisions not accepted for tax purposes and other temporary diferences)	27,701,479	38,234,393
Others	17,035,622	16,261,931
	88,585,576	112,269,330

At 30 September 2011 and 2010, tax losses for which deferred tax assets were not recognised have the following due dates:

Due date	2011	2010
2010	–	3,814,324
2011	1,491,189	11,752,770
2012	12,307,639	17,904,868
2013	13,849,849	15,941,697
2014	698,437	4,636,725
2015	6,478,655	1,676,710
2016	1,247,315	319,582
2017	1,772,700	134,414
2018	420,883	44,378
2019	1,460,177	45,284
2020	529,150	–
2021	80,962	–
2025	175,543	–
2030	129,538	–
Unlimited	3,206,438	1,502,254
	43,848,475	57,773,006

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

The deferred tax liabilities at 30 September 2011 and 2010 amounting to Euro 703,826 and Euro 5,053,582, respectively, result mainly from consolidation adjustments and IAS/IFRS conversion adjustments.

The movements that occurred in deferred tax liabilities in the periods ended at 30 September 2011 and 2010 were as follows:

	2011	2010
Opening balance	(786,549)	(106,929)
Impact on results:		
Adjustments in the conversion to IAS / IFRS	(7,964)	(13,223)
Consolidation adjustments	–	(4,933,430)
Sub-total impact on results (note 22)	(7,964)	(4,946,653)
Others	90,687	–
Closing balance	(703,826)	(5,053,582)

The reconciliation between the earnings before taxes and the taxes recorded for the periods ended at 30 September 2011 and 2010 is as follows:

	2011	2010
Earnings before taxes	63,327,641	44,310,144
Income tax rate (25%)	(15,831,910)	(11,077,536)
Deferred tax assets not recognised in the individual accounts and / or resulting from consolidation adjustments and other adjustments to taxable income	(4,101,637)	(6,231,437)
Defered tax assets not recognised in previous years	11,278,074	818,184
Record of deferred tax liabilities	(8,577)	(13,223)
Temporary differences arising from the securitisation of receivables	1,350,000	1,350,000
Movements in provisions not accepted for tax purposes and tax benefits	981,228	705,694
Income taxation recorded in the year (note 22)	(6,332,822)	(14,448,318)

Portuguese Tax Authorities can review the income tax returns of the Company and of its subsidiaries with head office in Portugal 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 2007 (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.

For the year ended 31 December 2010, the subsidiary Optimus was notified of the Report of Tax Inspection, where it considers that it is inappropriate the increase, when calculating the taxable profit for the year 2008, of the amount of Euro 100 million, with respect to initial price of future credits transferred to securitization. The Settlement Note, was receipt on April 2011, and Optimus will challenge that decision and is confidence of the Board of Directors of the Optimus and the Group that there are strong arguments to obtain a favorable decision for Optimus,. For this reason, Optimus kept the recording of deferred tax assets associated with this operation.

Supported by the Company's lawyers and Tax consultants, the Board of Directors believes that there are no liabilities not provisioned in the consolidated financial statements, associated to probable tax contingencies that should have been registered or disclosed in the accompanying financial statements, at 30 September 2011.

12. Cash and cash equivalents

At 30 September 2011 and 2010, the detail of cash and cash equivalents was as follows:

	2011	2010
Cash	111,362	219,300
Bank deposits repayable on demand	5,883,950	5,412,480
Treasury applications	177,030,000	87,785,302
Cash and cash equivalents	183,025,312	93,417,082
Bank overdrafts (note 15)	(783,857)	(69,828)
	182,241,455	93,347,254

At 30 September 2011 and 2010, the 'Treasury applications' had the following breakdown:

	2011	2010
Sonae Investments BV	41,810,000	61,810,000
Bank applications	135,220,000	25,975,302
	177,030,000	87,785,302

During the period ended at 30 September 2011, the above mentioned treasury applications bear interests at an average rate of 2.614% (2.086% in 2010).

13. Share capital

At 30 September 2011 and 2010, 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:

	2011		2010	
	Number of shares	%	Number of shares	%
Sontel BV	194,063,119	52.99%	183,374,470	50.07%
Atlas Service Belgium	73,249,374	20.00%	73,249,374	20.00%
Shares traded on the Portuguese Stock Exchange ('Free float')	73,004,403	19.93%	70,109,264	19.14%
Banco Comercial Português, S.A. (BCP)	12,500,998	3.41%	12,500,998	3.41%
Own shares	9,045,200	2.47%	8,264,325	2.26%
Santander Asset Management	3,732,774	1.02%	7,408,788	2.02%
Sonae SGPS	650,000	0.18%	838,649	0.23%
Efanor Investimentos, S.G.P.S., S.A.	1,000	0.00%	1,000	0.00%
Sonae Investments BV	–	–	10,500,000	2.87%
	366,246,868	100.00%	366,246,868	100.00%

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

14. Own shares

During the period ended at 30 September 2011, Sonaecom delivered to its employees 1,764,157 own shares under its Medium Term Incentive Plan (972,184 own shares during the period ended at 30 September 2010).

Additionally, during the period, Sonaecom acquired 1,553,000 shares (at an average price of Euro 1.432), holding at 30 September 2011 9,045,200 own shares, representative of 2.47% of its share capital at the average acquisition cost of Euro 1.503.

15. Loans

At 30 September 2011 and 2010, the caption Loans had the following breakdown:

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

						Amount outstanding
Company	Issue denomination	Limit	Maturity	Type of reimbursement	2011	2010
Sonaecom	'Obrigações Sonaecom SGPS 2005'	150,000,000	Jun-13	Final	150,000,000	150,000,000
SGPS	'Obrigações Sonaecom SGPS 2011'	100,000,000	Mar-15	Final	100,000,000	–
SGPS	'Obrigações Sonaecom SGPS 2010'	40,000,000	Mar-15	Final	40,000,000	40,000,000
	'Obrigações Sonaecom SGPS 2010'	30,000,000	Feb-13	Final	30,000,000	30,000,000
	Costs associated with financing set-up	–	–	–	(3,089,220)	(2,057,599)
	Interests incurred but not yet due	–	–	–	1,433,594	968,685
					318,344,374	218,911,086
Sonaecom	Commercial paper	150,000,000	Jul-12	–	–	119,500,000
SGPS	Costs associated with financing set-up	–	–	–	–	(253,403)
	Interests incurred but not yet due	–	–	–	–	374,627
					–	119,621,224
Unipress	Bank loan	–	–	–	335,311	462,848
Saphety	Minority shareholder loans	–	–	–	387,723	386,843
					319,067,408	339,382,001

b) Short-term loans and other loans

						Amount outstanding
Company	Issue denomination	Limit	Maturity	Type of reimbursement	2011	2010
Sonaecom	Commercial paper	150,000,000	Jul-12	–	120,950,000	–
SGPS	Commercial paper	40,000,000	May-11	–	–	10,000,000
	Commercial paper	30,000,000	Apr-12	–	–	6,500,000
	Commercial paper	15,000,000	Jun-12	–	–	5,000,000
	Costs associated with financing set-up	–	–	–	(215,949)	–
	Interests incurred but not yet due	–	–	–	406,865	86,503
					121,140,916	21,586,503
Several	Bank overdrafts (note 12)	–	–	–	783,857	69,828
					783,857	69,828
					121,924,773	21,656,331

Bond Loan

In June 2005, Sonaecom signed a Bond Loan, privately placed, amounting to Euro 150 million without guarantees and with a maturity of eight years. The bonds bear interest at floating rate, indexed to Euribor and paid semiannually. This issue was organised and mounted by Millennium BCP Investimento.

In February and March 2010, Sonaecom signed two other Bond Loan, both privately placed, in the amount of Euro 30 and 40 million, without guarantees and maturities of 3 and 5 years respectively. Both loans bear interest at floating rate indexed to Euribor, and paid semiannually. The issues were organised and mounted by, respectively, Banco Espirito Santo de Investimento and Caixa - Banco de Investimento. These bond issues were traded on Euronext Lisbon market.

In September 2011, Sonaecom signed a Bond Loan, privately placed, amounting to Euro 100 million without guarantees and with a maturity of three and half years. The bonds bear interest at floating rate indexed to Euribor and paid semiannually. This issue was organized and mounted by BNP Paribas, ING Belgium SA / NV and WestLB AG.

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.

The average interest rate of the bond loans, in the period, was 2.74% (1.989% in 2010).

Commercial Paper

In July 2007, Sonaecom contracted a Commercial Paper Programme 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. According to the original terms, this programme was reduced to the amount of Euro 150 million in July 2010.

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).

Additionally, Sonaecom has four other Commercial Paper Programmes, with subscription guarantee, with the following characteristics:

Amount	Hire date	Subscription guarantee	Maturity
Euro 30 million	April 2010	Caja de Ahorros Y Monte de Piedad de Madrid (representation in Portugal) and Banco BPI	one year, possibly renewable
Euro 15 million	June 2010	Caixa Económica Montepio Geral	one year, possibly renewable
Euro 10 million	November 2010	Banco Popular	one year, possibly renewable

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

Bank credit lines of short-term portion

Sonaecom has also bank credit lines for short term, in the form of current or overdraft account commitments, in the amount of Euro 19 million. These credit lines have maturities up to one year, automatically renewable, except in case of termination by either party, with some periods of notice.

All these loans and bank credit lines bear interest at market rates, indexed to the Euribor for the respective term, and were all contracted in euro.

At 30 September 2011 and 2010, the repayment schedule of medium and long-term loans and of interests (nominal values), for both bonds and commercial paper were as follows (values based on the latest interest rate established for each type of loan):

	N+1	N+2	N+3	N+4	N+5
2011					
Bond loan:					
Reimbursements	–	180,000,000	–	140,000,000	–
Interests	11,546,600	9,708,677	6,479,600	3,083,429	–
Commercial paper:					
Reimbursements	–	–	–	–	–
Interests	–	–	–	–	–
	11,546,600	189,708,677	6,479,600	143,083,429	–
2010					
Bond loan:					
Reimbursements	–	–	180,000,000	–	40,000,000
Interests	4,996,900	5,010,590	3,910,773	1,254,400	707,963
Commercial paper:					
Reimbursements	–	119,500,000	–	–	–
Interests	1,489,045	1,247,679	–	–	–
	6,485,945	125,758,269	183,910,773	1,254,400	40,707,963

Although the maturity of commercial paper issuance is six months, the counterparties assumed the placement and the maintenance of those limits for a period of five years. As so, such liabilities are recorded in the medium and long term.

Minority Shareholder loan's have no maturity defined.

At 30 September 2011 and 2010, the available credit lines of the Group were as follows:

					Maturity	
Company	Credit	Limit	Amount outstanding	Amount available	Until 12 months	More than 12 months
2011						
Sonaecom	Commercial paper	150,000,000	120,950,000	29,050,000	x	
Sonaecom	Commercial paper	30,000,000	-	30,000,000	x	
Sonaecom	Commercial paper	15,000,000	-	15,000,000	x	
Sonaecom	Commercial paper	10,000,000	-	10,000,000	x	
Sonaecom	Bond loan	150,000,000	150,000,000	-		x
Sonaecom	Bond loan	100,000,000	100,000,000	-		x
Sonaecom	Bond loan	40,000,000	40,000,000	-		x
Sonaecom	Bond loan	30,000,000	30,000,000	-		x
Sonaecom	Overdraft facilities	16,500,000	-	16,500,000	x	
Sonaecom	Authorised overdrafts	2,500,000	-	2,500,000	x	
		544,000,000	440,950,000	103,050,000		
2010						
Sonaecom	Commercial paper	150,000,000	119,500,000	30,500,000		x
Sonaecom	Commercial paper	40,000,000	10,000,000	30,000,000	x	
Sonaecom	Commercial paper	30,000,000	6,500,000	23,500,000	x	
Sonaecom	Commercial paper	15,000,000	5,000,000	10,000,000	x	
Sonaecom	Bond loan	150,000,000	150,000,000	–		x
Sonaecom	Bond loan	40,000,000	40,000,000	–		x
Sonaecom	Bond loan	30,000,000	30,000,000	–		x
Sonaecom	Overdraft facilities	16,500,000	–	16,500,000	x	
Sonaecom	Overdraft facilities	10,000,000	–	10,000,000	x	
Sonaecom	Authorised overdrafts	2,500,000	–	2,500,000	x	
		484,000,000	361,000,000	123,000,000		

At 30 September 2011 and 2010, there are no interest rate hedging instruments. Therefore the total gross debt is exposed to changes in the interest rates.

16. Other non-current financial liabilities

At 30 September 2011 and 2010, 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 18,628,442 and Euro 19,722,406, respectively.

At 30 September 2011 and 2010, the payment of these amounts was due as follows:

	2011		2010	
	Lease payments	Present value of lease payments	Lease payments	Present value of lease payments
2010	–	–	1,133,408	919,078
2011	732,291	582,955	3,118,320	2,235,330
2012	3,449,984	2,537,661	3,114,526	2,267,454
2013	3,267,476	2,453,108	2,857,542	2,108,092
2014 onwards	19,624,595	15,504,024	19,055,409	14,584,652
	27,074,346	21,077,748	29,279,205	22,114,606
Interests	(5,996,599)	–	(7,164,599)	–
	21,077,747	21,077,748	22,114,606	22,114,606
Short-term liability (note 19)	–	(2,449,306)	–	(2,392,200)
	21,077,747	18,628,442	22,114,606	19,722,406

The medium and long-term agreements made with suppliers of optical fibre network capacity, under which the Group has the right to use that network, which is considered as a specific asset, are recorded as finance leases in accordance with IAS 17 – 'Leases' and IFRIC 4 – 'Determining whether an arrangement contains a Lease'. These contracts have a 15 to 20 year maturity.

17. Provisions and accumulated impairment losses

The movements in provisions and in accumulated impairment losses in the periods ended at 30 September 2011 and 2010 were as follows:

	Opening balance	Increases	Utilisations	Decreases	Closing balance
2011					
Accumulated impairment losses on accounts receivables	70,410,631	16,015,126	(14,113,938)	(476,184)	71,835,635
Accumulated impairment losses on inventories	14,930,606	2,339,205	(1,869,547)	–	15,400,264
Provisions for other liabilities and charges	33,150,028	1,803,349	(357,803)	(47,925)	34,547,649
	118,491,265	20,157,680	(16,341,288)	(524,109)	121,783,548
2010					
Accumulated impairment losses on accounts receivables	67,838,678	10,670,707	(8,198,321)	(16,674)	70,294,390
Accumulated impairment losses on inventories	12,690,082	1,850,000	(227,121)	–	14,312,961
Provisions for other liabilities and charges	32,175,824	1,257,566	(32,177)	(359,275)	33,041,938
	112,704,584	13,778,273	(8,457,619)	(375,949)	117,649,289

The increase of 'Provisions for other liabilities and charges' includes the amount of Euro 97,120 (428,980 in 2010) related to the dismantling of sites, as foreseen in IAS 16 (note 1.d.)), and the amount of Euro 699,218 recorded in the profit and loss statement, under the caption 'Income taxation' (109,708 in 2010).

The reinforcement on 'Accumulated Impairment losses on Inventories' is recorded from on the profit and loss statement under the caption 'Cost of Sales' (Note 1.j)). Therefore, the total amount recorded in the profit and loss statement corresponding to the increase in the heading 'Provisions and impairment losses', corresponds to Euro 17,022,137 (2010: Euro 11,389,585).

The heading 'Utilisations' refers, essentially, to the utilisation of provisions registered against entries in customers current accounts of the subsidiary Optimus – Comunicações S.A., fully subject to impairment losses already recognised in the profit and loss statement.

At 30 September 2011 and 2010, the breakdown of the provisions for other liabilities and charges is as follows:

	2011	2010
Dismantling of sites	22,826,201	22,637,701
Several contingencies	3,040,274	2,788,697
Legal processes in progress	2,960,782	2,865,034
Indemnities	1,037,068	728,299
Others	4,683,324	4,022,207
	34,547,649	33,041,938

The heading '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. Securitisation of receivables

On 30 December 2008, the subsidiary Optimus – Comunicação, S.A., carried out a securitisation 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 (Decree-Law), of 5 November (note 11).

This operation was coordinated by Deutsche Bank, the future credits having been assigned to TAGUS – Sociedade de Titularização de Créditos, S.A. (TAGUS), which, for this purpose, issued securitised bonds designated 'Magma No. 1 Securitisation 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 as all the other payments due to the other creditors of this transaction, shall be allocated by Optimus - 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 19,764,541) was registered in current liabilities and the remainder, amounting to Euro 24,914,706, was registered in non-current liabilities.

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

At 30 September 2011 and 2010, the amount recorded in 'Securitisation of receivables' has the following maturity:

	N+1	N+2	N+3	N+4	N+5	Total
2011						
Securitisation of receivables	19,764,541	19,914,706	5,000,000	–	–	44,679,247
2010						
Securitisation of receivables	19,596,453	19,752,403	19,906,862	5,002,760	–	64,258,478

19. Other current financial liabilities

At 30 September 2011, this caption includes the amount of Euro 2,449,306 (2010: Euro 2,392,200) related to the short term portion of lease contracts (note 16).

20. External supplies and services

'External supplies and services' for the periods ended at 30 September 2011 and 2010 had the following composition:

	2011	2010
Interconnection costs	139,493,435	154,017,571
Specialised works	37,899,375	42,976,563
Commissions	31,928,525	33,738,527
Rents	25,730,508	25,047,418
Other subcontracts	21,500,334	22,670,128
Advertising and promotion	21,467,208	22,910,423
Leased lines	14,051,194	16,665,833
Energy	7,709,316	7,930,591
Maintenance and repairs	4,377,274	4,965,074
Communications	4,335,860	4,503,024
Travelling costs	3,759,565	3,917,790
Fees	2,729,080	2,626,297
Others	14,328,284	17,072,462
	329,309,958	359,041,701

The commitments assumed by the Group at 30 September 2011 and 2010 related to operational leases are as follows:

	2011	2010
Minimum payments of operational leases:		
2010	–	12,869,116
2011	10,369,771	44,614,755
2012	43,441,454	41,686,002
2013	40,654,297	40,146,422
2014	38,118,811	33,132,911
2015	33,869,478	33,132,902
2016	31,598,248	32,387,277
2017 onwards	32,750,876	–
Renewable by periods of one year	2,749,115	3,547,761
	233,552,050	241,517,146

During the period ended at 30 September 2011, an amount of Euro 34,775,388 (2010: Euro 37,274,482) was recorded in the heading 'External supplies and services' related with operational leasing rents, divided between the lines 'Rents' and 'Leased lines'.

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 five year period with the possibility of annual renewal. The actualisation of the rents will occur at the end of the first contract cycle (after the first five years).

21. Financial results

Net financial results for the periods ended at 30 September 2011 and 2010 were made up as follows:

	2011	2010
Financial expenses:		
Interest expenses:	(10,510,754)	(10,021,615)
Bank loans	(6,930,361)	(5,562,308)
Securitisation interests	(2,239,069)	(2,765,255)
Leasing	(734,475)	(741,140)
Other interests	(606,849)	(952,912)
Foreign exchange losses	(1,260,620)	(424,773)
Other financial expenses	(552,827)	(356,517)
	(12,324,201)	(10,802,905)
Financial income:		
Interest income	4,603,886	3,840,908
Foreign exchange gains	888,199	473,453
Others financial gains	3,358	-
	5,495,443	4,314,361

During the periods ended at 30 September 2011 and 2010, the caption 'Financial income: Interest income' includes, mainly, interests earned on treasury applications and interests arising from late collections associated with cases in litigation.

22. Income taxation

Income taxes recognised during the periods ended at 30 September 2011 and 2010 were made up as follows ((costs) / gains):

	2011	2010
Current tax	(1,498,999)	(2,139,908)
Tax provision net of reduction (note 17)	(673,554)	(109,708)
Deferred tax assets (note 11)	(4,152,306)	(7,252,049)
Deferred tax liabilities (note 11)	(7,964)	(4,946,653)
	(6,332,822)	(14,448,318)

23. Related parties

During the periods ended at 30 September 2011 and 2010, 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 obtainment of loans.

The most significant balances and transactions with related parties, which are listed in the appendix to this report, during the periods ended at 30 September 2011 and 2010 were as follows:

	Balances at 30 September 2011			
	Accounts receivable	Accounts payable	Treasury applications	Other assets / (liabilities)
Sonae SGPS	37,522	3,552	–	(7,725)
Modelo Continente Hipermercados, S.A.	1,221,299	1,007,248	–	(285,128)
Worten	2,630,312	268	–	(231,529)
Sonaecenter II	1,112,183	555,136	–	75,289
Sierra Corporate Services	905,072	–	–	(41,180)
Raso Viagens	285,187	156,681	–	(129,801)
Sonae Investments BV	–	–	41,810,000	4,061
France Telecom	5,589,285	2,459,097	–	(6,192,953)
	11,780,860	4,181,982	41,810,000	(6,808,966)

	Balances at 30 September 2010			
	Accounts receivable	Accounts payable	Treasury applications	Other assets / (liabilities)
Sonae SGPS	30,403	1,888	–	49,801
Modelo Continente Hipermercados, S.A.	2,388,431	1,581,437	–	(617,021)
Worten	2,425,693	–	–	(1,333,830)
Sonaecenter II	725,353	146,682	–	(143,792)
Sierra Corporate Services	446,876	–	–	60,215
Raso Viagens	310,558	287,027	–	(82,271)
Sonae Investments BV	–	–	61,810,000	3,806
France Telecom	2,274,799	1,105,228	–	(5,359,128)
	8,602,113	3,122,262	61,810,000	(7,422,220)

	Transactions at 30 September 2011			
	Sales and services rendered	Supplies and services received	Interest and similar income / (expense)	Supplementary income
Sonae SGPS	60,401	63,102	(11,039)	–
Modelo Continente Hipermercados, S.A.	2,108,964	1,134,241	–	165,925
Worten	2,853,388	1,809,457	–	3,810
Sonaecenter II	7,195,297	381,264	–	–
Sierra Corporate Services	4,899,338	671,891	–	5,214
Raso Viagens	431,973	1,812,508	–	–
Sonae Investments BV	–	–	1,251,014	–
France Telecom	12,300,201	10,052,642	–	–
	29,849,562	15,925,104	1,239,974	174,949

	Transactions at 30 September 2010			
	Sales and services rendered	Supplies and services received	Interest and similar income / (expense)	Supplementary income
Sonae SGPS	69,584	(75,911)	368,940	–
Modelo Continente Hipermercados, S.A.	3,349,482	1,071,858	–	190,077
Worten	3,138,562	2,084,604	–	–
Sonaecenter II	4,433,974	442,311	–	11,572
Sierra Corporate Services	2,077,665	(116,901)	–	19,944
Raso Viagens	488,264	1,582,543	–	–
Sonae Investments BV	–	–	1,440,070	–
France Telecom	12,156,763	9,357,673	–	–
	25,714,294	14,346,177	1,809,010	221,593

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 periods ended at 30 September 2011 and 2010, no impairment losses referring to related entities were recognised.

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

24. Guarantees provided to third parties

Guarantees provided to third parties at 30 September 2011 and 2010 were as follows:

Company	Beneficiary	Description	2011	2010
Optimus and Sonaecom	Direcção de Contribuições e Impostos (Portuguese tax authorities)	VAT Reimbursements	9,350,818	9,350,818
Optimus	Direcção de Contribuições e Impostos (Portuguese tax authorities)	IRC – Tax assessment	4,039,639	1,711,220
We Do	AD Makedonski, Digi Telecommunications, Emirates Telecom. Corp., Pak Telecom, Scotiabank De Costa Rica, Sirilanka Telecom and Telcel	Completion of work to be done	1,143,071	720,603
Sonaecom	Direcção de Contribuições e Impostos (Portuguese tax authorities)	Tax audit 2005	754,368	754,368
Optimus and Público	Direcção de Contribuições e Impostos (Portuguese tax authorities)	VAT – Impugnation process	598,000	598,000
We Do, Saphety and Digitmarket	IAPMEI (Institute of Support to Small and Medium Enterprises and Investment)	'HERMES' project – QREN	436,822	327,730
Optimus	Direcção Geral do Tesouro (Portuguese tax authorities)	IRC – Witholding tax on payments to non-residents	306,954	431,954
Público	Tribunal de Trabalho de Lisboa (Lisbon Labour Court)	Execution action n. 199A/92	271,511	271,511
Optimus	Câmara Municipal de Coimbra, Lisboa, Braga, Elvas, Caldas da Rainha Guarda, Mealhada, Barcelos e Faro (Coimbra, Lisbon, Braga, Elvas, Caldas da Rainha, Guarda, Mealhada, Barcelos and Faro Municipalities)	Performance bond – works	246,270	274,551
Optimus	Governo Civil de Lisboa (Lisbon Government Civil)	Guarantee the sweepstakes plan complete fulfilment	104,650	298,180
Several	Others		1,169,538	1,215,972
			18,421,641	15,954,907

In addition to these guarantees, there were set up two sureties for the current fiscal processes. The Sonae SGPS constituted a Sonaecom SGPS surety to the amount of Euro 2,844,270 and Sonaecom SGPS constituted a Optimus surety for the amount of Euro 9,264,267.

At 30 September 2011 and 2010, the Board of Directors of the Group believes that the decision of the court proceedings and ongoing tax assessments in progress will not have significant impacts on the consolidated financial statements.

25. Information by business segment

The following business segments were identified for the periods ended at 30 September 2011 and 2010:

– Telecommunications;

– Multimedia;

– Information systems;

– Holding activities.

The segment 'Holding activities' includes the operations of the Group companies that have as their main activity the management of shareholdings.

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

Inter-segment transactions during the periods ended at 30 September 2011 and 2010 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 interest on treasury applications and management fees.

Overall information by business segment at 30 September 2011 and 2010, 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		Subtotal		Eliminations		Total	
	September 2011	September 2010	September 2011	September 2010	September 2011	September 2010	September 2011	September 2010	September 2011	September 2010	September 2011	September 2010	September 2011	September 2010	September 2011	September 2010
Revenues:																
Sales and services rendered	566,125,425	583,118,228	19,263,300	21,974,654	83,292,197	102,336,665	2,956,622	4,805,975	165,600	165,600	671,803,144	712,401,122	(21,494,321)	(28,273,446)	650,308,823	684,127,676
Other operating revenues	8,614,047	6,054,420	420,669	359,911	453,472	307,939	896	5,072	-	-	9,489,084	6,727,342	(3,194,728)	(2,120,354)	6,294,356	4,606,988
Total revenues	574,739,472	589,172,648	19,683,969	22,334,565	83,745,669	102,644,604	2,957,518	4,811,047	165,600	165,600	681,292,228	719,128,464	(24,689,049)	(30,393,800)	656,603,179	688,734,664
Depreciation and amortisation	(89,689,640)	(94,585,570)	(915,029)	(1,090,195)	(3,775,159)	(3,182,260)	(56,882)	(87,511)	(23,209)	(22,395)	(94,459,919)	(98,967,931)	706,733	778,070	(93,753,186)	(98,189,861)
Net operating income / (loss) for the segment	72,821,580	51,182,817	(3,314,014)	(2,105,503)	1,246,659	2,630,457	(789,724)	(1,004,415)	59,864	79,160	70,024,365	50,782,516	239,528	16,172	70,263,893	50,798,688
Net interests	(9,377,058)	(8,595,439)	(181,954)	(80,156)	(659,127)	(456,536)	4,821,383	4,028,867	(44,796)	(38,309)	(5,441,552)	(5,141,573)	(465,315)	(1,039,134)	(5,906,867)	(6,180,707)
Other financial results	(126,127)	(310,026)	(3,806)	(8,457)	(566,074)	126,168	1,960,580	(7,519,582)	(40)	(40)	1,264,533	(7,711,937)	(2,186,424)	7,404,100	(921,891)	(307,837)
Income taxation	(4,184,993)	(12,239,570)	993,269	71,519	(1,162,825)	(934,560)	(2,012,720)	(1,515,354)	(6,109)	(8,866)	(6,373,378)	(14,626,831)	40,556	178,513	(6,332,822)	(14,448,318)
Consolidated net income / (loss) for the year	59,133,403	30,037,782	(2,506,505)	(2,122,597)	(1,141,367)	1,365,529	3,979,519	(6,010,484)	8,920	31,945	59,473,970	23,302,175	(2,371,657)	6,559,651	57,102,313	29,861,826
Attributable to:																
Shareholders of parent company	59,133,403	30,037,782	(2,506,505)	(2,122,597)	(1,117,019)	1,217,122	3,979,519	(6,010,484)	8,920	31,945	59,498,318	23,153,768	(2,406,973)	6,565,628	57,091,345	29,719,396
Non-controlling interests	-	-	-	-	(24,347)	148,407	-	-	-	-	(24,347)	148,407	35,315	(5,977)	10,968	142,430
Assets:																
Tangible and intangible assets and goodwill	832,236,045	838,210,899	3,866,873	4,456,762	68,599,332	68,776,521	380,165	460,357	15,715	1,577,356	905,098,130	913,481,895	457,387,434	455,898,604	1,362,485,564	1,369,380,499
Inventories	13,183,086	24,410,982	604,585	576,278	440,205	2,188,689	-	-	-	-	14,227,876	27,175,949	-	-	14,227,875	27,175,949
Financial investments	1,282,025	1,282,025	441,509	436,509	2,494	907,494	1,134,606,802	1,125,347,238	-	-	1,136,332,830	1,127,973,266	(1,136,120,506)	(1,126,765,946)	212,324	1,207,320
Other non-current assets	107,419,022	115,793,062	3,570	116,707	1,468,773	888,157	498,857,752	445,984,743	1,547,298	-	609,296,415	562,782,669	(503,627,807)	(447,962,222)	105,668,608	114,820,447
Other current assets of the segment	309,094,859	303,299,474	9,608,544	11,769,056	49,406,267	48,922,600	151,367,377	76,918,380	80,143	87,294	519,557,190	440,996,804	(92,359,334)	(115,473,748)	427,197,856	325,523,056
	1,263,215,037	1,282,996,442	14,525,081	17,355,312	119,917,071	121,683,461	1,785,212,096	1,648,710,718	1,643,156	1,664,650	3,184,512,441	3,072,410,583	(1,274,720,213)	(1,234,303,312)	1,909,792,227	1,838,107,271
Liabilities:																
Liabilities of the segment	732,589,841	788,579,453	20,632,596	14,975,378	67,236,101	69,191,771	515,667,278	456,107,310	1,478,804	1,484,568	1,337,604,620	1,330,338,480	(442,983,751)	(456,537,232)	894,620,868	873,801,248
	732,589,841	788,579,453	20,632,596	14,975,378	67,236,101	69,191,771	515,667,278	456,107,310	1,478,804	1,484,568	1,337,604,620	1,330,338,480	(442,983,751)	(456,537,232)	894,620,868	873,801,248
CAPEX	41,298,869	81,085,842	447,836	376,428	2,973,370	8,133,377	166,690,000	7,903,378	16,381	25,046	211,426,456	97,524,071	(145,545,375)	(10,001,313)	65,881,080	87,522,758

Despite the merger that 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	
	Septmeber 2011	September 2010	Septmeber 2011	September 2010	Septmeber 2011	September 2010	Septmeber 2011	September 2010
Income:								
Sales and services rendered	430,159,200	440,819,317	163,492,450	180,682,972	(27,526,225)	(38,384,061)	566,125,425	583,118,228
Other operating revenues	24,168,246	24,256,918	671,363	880,912	(16,225,562)	(19,083,410)	8,614,047	6,054,420
Total revenues	454,327,446	465,076,235	164,163,813	181,563,884	(43,751,787)	(57,467,471)	574,739,472	589,172,648
Depreciation and amortisation	(67,507,767)	(69,271,199)	(21,998,295)	(25,194,551)	(183,578)	(119,820)	(89,689,640)	(94,585,570)
Operational results of the segments	87,416,074	73,220,681	(14,421,420)	(21,973,048)	(173,074)	(64,816)	72,821,580	51,182,817
Assets:								
Tangible assets and goodwill	687,565,475	658,143,600	144,670,570	180,067,299	–	–	832,236,045	838,210,899
Inventories	12,809,863	19,796,154	373,223	4,614,828	–	–	13,183,086	24,410,982
Financial investments	1,282,025	1,282,025	–	–	–	–	1,282,025	1,282,025
CAPEX	50,096,147	63,053,286	13,020,243	18,032,555	(21,817,521)	–	41,298,869	81,085,842

During the periods ended at 30 September 2011 and 2010, the inter-segments sales and services were as follows:

	Telecommunications	Multimedia	Information Systems	Holding Activities	Others
2011					
Telecommunications	-	-	16,130,188	2,562,925	165,600
Multimedia	981,539	-	121,840	128,945	-
Information Systems	1,045,835	44,635	-	264,752	-
Holding Activities	42,319	3,191	1,494	-	-
Sonaecom others	1,056	-	-	-	-
Others	564,054,676	19,215,474	67,038,675	-	-
	566,125,425	19,263,300	83,292,197	2,956,622	165,600
2010					
Telecommunications	-	44,999	21,186,562	4,549,752	165,600
Multimedia	1,019,480	-	149,703	107,068	-
Information Systems	749,672	61,219	-	144,058	-
Holding Activities	46,971	2,700	43,454	-	-
Sonaecom others	1,056	-	-	1,152	-
Others	581,301,049	21,865,736	80,956,946	3,945	-
	583,118,228	21,974,654	102,336,665	4,805,975	165,600

26. Earnings per share

Earnings per share, basic and diluted, are calculated by dividing the consolidated net income attributable to the Group (Euro 57,091,345 in 2011 and Euro 29,719,396 in 2010) by the average number of shares outstanding during the periods ended at 30 September 2011 and 2010, net of own shares (357,150,209 in 2011 and 358,162,367 in 2010).

27. Medium Term Incentive Plans

In June 2000, Sonaecom Group created a discretionary Medium Term Incentive Plan, for more senior employees, based on Sonaecom options and shares and Sonae S.G.P.S., S.A. shares. The vesting occurs three years after the award of each plan, assuming that the employees are still employed in the Group.

The Sonaecom plans outstanding at 30 September 2011 can be summarised as follows:

	Vesting period			30 September 2011	
	Share price at award date*	Award date	Vesting date	Aggregate number of participations	Number of options / shares
Sonaecom shares					
2007 Plan	2.447	10 Mar 2008	09 Mar 2011	-	-
2008 Plan	1.117	10 Mar 2009	09 Mar 2012	385	3,496,657
2009 Plan	1.685	10 Mar 2010	08 Mar 2013	395	2,506,075
2010 Plan	1.399	10 Mar 2011	10 Mar 2014	385	2,948,948
Sonae SGPS shares					
2007 Plan	1.160	10 Mar 2008	09 Mar 2011	-	-
2008 Plan	0.526	10 Mar 2009	09 Mar 2012	4	405,776
2009 Plan	0.761	10 Mar 2010	08 Mar 2013	4	314,954
2010 Plan	0.811	10 Mar 2011	10 Mar 2014	8	379,903

*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.

During the period ended at 30 September 2011, 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 December 2010:				
Unvested	1,176	7,576,178	12	877,623
Total	1,176	7,576,178	12	877,623
Movements in the year:				
Awarded	393	2,927,010	8	364,438
Vested	(376)	(1,750,550)	(4)	(186,234)
Cancelled / elapsed/transfers (1)	(28)	199,042	-	44,806
Outstanding at 30 September 2011:				
Unvested	1,165	8,951,680	16	1,100,633
Total	1,165	8,951,680	16	1,100,633

(1) The adjustments are made for dividends paid and for share capital changes and others adjustments, namely, resulting from a change in the vesting of the MTIP, which may now be made through the purchase of shares with discount.

For Sonaecom's share plans, the total responsibility is calculated taking into consideration the share price at award date of each plan. The responsibility for the mentioned plans is Euro 6,188,208 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. The responsibility of these plans is recorded under the headings of 'Other current liabilities' and 'Other non-current liabilities'.

Share plan costs are recognised in the accounts over the year between the award and the vesting date of those shares. The costs recognised in previous years and in the period ended at 30 September 2011, were as follows:

	Amount
Costs recognised in previous years	26,916,525
Costs recognised in the year	3,167,798
Costs of plans vested in previous year	(21,445,373)
Costs of plans vested in the year	(1,870,411)
Total cost of the plans	6,768,539
Recorded in 'Other current liabilities'	56,211
Recorded in 'Other non-current liabilities'	524,120
Recorded in reserves	6,188,208

28. Other matters

At 30 September 2011, 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 6,817,553, respectively, resulting from a dispute between the subsidiary Optimus – Comunicação, S.A. and, essentially, the operator TMN – Telecomunicações Móveis Nacionais, S.A., in relation to the vagueness of 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), for final and permanent decision, who upheld the decision of the 'Tribunal da Relação' (Court of Appeal), thus concluding that the interconnection prices for 2001 were not defined. The settlement of outstanding amounts will depend on the price that will be established.

These consolidated financial statements were approved by the Board of Directors on 2 November 2011.

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

Key management personnel - Sonaecom	
Ana Cristina Dinis da Silva Fanha Vicente Soares	Gervais Gilles Pellissier
Ana Paula Garrido Pina Marques	Jean-François René Pontal
Ângelo Gabriel Ribeirinho dos Santos Paupério	José Manuel Pinto Correia
António Bernardo Aranha da Gama Lobo Xavier	Manuel Antonio Neto Portugal Ramalho Eanes
António de Sampaio e Mello	Maria Cláudia Teixeira de Azevedo
David Charles Denholm Hobley	Miguel Nuno Santos Almeida
David Graham Shenton Bain	Nuno Manuel Moniz Trigoso Jordão
David Pedro Oliveira Parente Ferreira Alves	Paulo Joaquim dos Santos Plácido
Duarte Paulo Teixeira de Azevedo	Pedro Rafael de Sousa Nunes Pedro
Franck Emmanuel Dangeard	Rui José Silva Goncalves Paiva

Key management personnel - Sonae SGPS	
Álvaro Carmona e Costa Portela	Luís Filipe Palmeira Lampreia
Álvaro Cuervo Garcia	Michel Marie Bon
Belmiro de Azevedo	Nuno Miguel Teixeira Azevedo

Sonae/Efanor Group Companies	
3DO Holding GmbH	Avenida M – 40, S.A.
3DO Shopping Centre GmbH	Azulino Imobiliária, S.A.
3shoppings – Holding,SGPS, S.A.	BA Business Angels, SGPS, SA
8ª Avenida Centro Comercial, SA	BA Capital, SGPS, SA
ADD Avaliações Engenharia de Avaliações e Perícias Ltda	BB Food Service, S.A.
ADDmakler Administração e Corretagem de Seguros Ltda	Beralands BV
ADDmakler Administradora, Corretora de Seguros Partic. Ltda	Bertimóvel – Sociedade Imobiliária, S.A.
Adlands B.V.	BHW Beeskow Holzwerkstoffe
Aegean Park, S.A.	Bloco Q – Sociedade Imobiliária, S.A.
Agepan Eiweiler Management GmbH	Bloco W – Sociedade Imobiliária, S.A.
Agepan Flooring Products, S.A.RL	Boavista Shopping Centre BV
Agloma Investimentos, Sgps, S.A.	BOM MOMENTO – Comércio Retalhista, SA
Agloma-Soc.Ind.Madeiras e Aglom., S.A.	Canasta – Empreendimentos Imobiliários, S.A.
Águas Furtadas Sociedade Agrícola, SA	Carnes do Continente – Ind.Distr.Carnes, S.A.
Airone – Shopping Center, Srl	Casa Agrícola de Ambrães, S.A.
ALBCC Albufeirashopping C.Comercial SA	Casa da Ribeira – Hotelaria e Turismo, S.A.
ALEXA Administration GmbH	Cascaishopping – Centro Comercial, S.A.
ALEXA Asset GmbH & Co KG	Cascaishopping Holding I, SGPS, S.A.
ALEXA Holding GmbH	CCCB Caldas da Rainha - Centro Comercial,SA
ALEXA Shopping Centre GmbH	Centro Colombo – Centro Comercial, S.A.
Algarveshopping – Centro Comercial, S.A.	Centro Residencial da Maia,Urban., S.A.
Alpêssego – Soc. Agrícola, S.A	Centro Vasco da Gama – Centro Comercial, S.A.
Andar – Sociedade Imobiliária, S.A.	Change, SGPS, S.A.
Aqualuz – Turismo e Lazer, Lda	Chão Verde – Soc.Gestora Imobiliária, S.A.
Arat inmebles, S.A.	Cia.de Industrias e Negócios, S.A.
ARP Alverca Retail Park,SA	Cinclus Imobiliária, S.A.
Arrábidashopping – Centro Comercial, S.A.	Citorres – Sociedade Imobiliária, S.A.
Aserraderos de Cuellar, S.A.	Coimbrashopping – Centro Comercial, S.A.
Atlantic Ferries – Tráf.Loc,Flu.e Marít, S.A.	Colombo Towers Holding, BV
Avenida M – 40 B.V.	Contacto Concessões, SGPS, S.A.

Contibomba – Comérc.Distr.Combustiveis, S.A.	Glunz AG
Contimobe – Imobil.Castelo Paiva, S.A.	Glunz Service GmbH
Continente Hipermercados, S.A.	Glunz UK Holdings Ltd
Contry Club da Maia-Imobiliaria, S.A.	Glunz Uka Gmbh
Cooper Gay Swett & Crawford Lt	GMET, ACE
Craiova Mall BV	Golf Time – Golfe e Invest. Turísticos, S.A.
Cronosaúde – Gestão Hospitalar, S.A.	Guimarãeshopping – Centro Comercial, S.A.
Cumulativa – Sociedade Imobiliária, S.A.	Harvey Dos Iberica, S.L.
Darbo S.A.S	Herco Consultoria de Riscos e Corretora de Seguros Ltda
Deutsche Industrieholz GmbH	Iberian Assets, S.A.
Discovery Sports, SA	Igimo – Sociedade Imobiliária, S.A.
Dortmund Tower GmbH	Iginha – Sociedade Imobiliária, S.A.
Dos Mares – Shopping Centre B.V.	Imoareia – Invest. Turísticos, SGPS, S.A.
Dos Mares – Shopping Centre, S.A.	Imobiliária da Cacela, S.A.
Ecociclo – Energia e Ambiente, S.A.	Imoclub – Serviços Imobilários, S.A.
Ecociclo II	Imoconti – Soc.Imobiliária, S.A.
Edições Book.it, S.A.	Imodivor – Sociedade Imobiliária, S.A.
Edificios Saudáveis Consultores, S.A.	Imoestrutura – Soc.Imobiliária, S.A.
Efanor Investimentos, SGPS, S.A.	Imoferro – Soc.Imobiliária, S.A.
Efanor Serviços de Apoio à Gestão, S.A.	Imohotel – Emp.Turist.Imobiliários, S.A.
El Rosal Shopping, S.A.	Imomuro – Sociedade Imobiliária, S.A.
Emfísico Boavista	Imopenínsula – Sociedade Imobiliária, S.A.
Empreend.Imob.Quinta da Azenha, S.A.	Imoplamac Gestão de Imóveis, S.A.
Equador & Mendes, Lda	Imoponte – Soc.Imobiliaria, S.A.
Espimaia – Sociedade Imobiliária, S.A.	Imoresort – Sociedade Imobiliária, S.A.
Estação Viana – Centro Comercial, S.A.	Imoresultado – Soc.Imobiliaria, S.A.
Estêvão Neves – Hipermercados Madeira, S.A.	Imosedas – Imobiliária e Seviços, S.A.
Euroresinas – Indústrias Quimicas, S.A.	Imosistema – Sociedade Imobiliária, S.A.
Farmácia Selecção, S.A.	Imosonae II
Fashion Division Canárias, SL	Impaper Europe GmbH & Co. KG
Fashion Division, S.A.	Implantação – Imobiliária, S.A.
Fontana Corretora de Seguros Ltda	Infofield – Informática, S.A.
Fozimo – Sociedade Imobiliária, S.A.	Infratroia, EM
Fozmassimo – Sociedade Imobiliária, S.A.	Inparsa – Gestão Galeria Comercial, S.A.
Freccia Rossa – Shopping Centre S.r.l.	Inparvi SGPS, S.A.
Frieengineering International Ltda	Integrum - Energia, SA
Fundo de Invest. Imobiliário Imosede	Integrum Colombo Energia, S.A.
Fundo I.I. Parque Dom Pedro Shop.Center	Integrum, SA
Fundo Invest.Imob.Shopp. Parque D.Pedro	Interlog – SGPS, S.A.
Gaiashopping I – Centro Comercial, S.A.	Investalentejo, SGPS, S.A.
Gaiashopping II – Centro Comercial, S.A.	Invsaude – Gestão Hospitalar, S.A.
GHP Gmbh	Ioannina Development of Shopping Centres, SA
Gli Orsi Shopping Centre 1 Srl	Isoroy SAS

La Farga – Shopping Center, SL	Norscut – Concessionária de Scut Interior Norte, S.A.
Laminate Park GmbH Co. KG	Norteshopping – Centro Comercial, S.A.
Larim Corretora de Resseguros Ltda	Norteshopping Retail and Leisure Centre, BV
Larissa Develop. Of Shopping Centers, S.A.	Nova Equador Internacional,Ag.Viag.T, Ld
Lazam – MDS Corretora e Administradora de Seguros, S.A.	Nova Equador P.C.O. e Eventos
LCC LeiriaShopping Centro Comercial SA	Operscut – Operação e Manutenção de Auto-estradas, S.A.
Le Terrazze - Shopping Centre 1 Srl	OSB Deustchland Gmbh
Libra Serviços, Lda.	PantheonPlaza BV
Lidergraf – Artes Gráficas, Lda.	Paracentro – Gest.de Galerias Com., S.A.
Loop5 Shopping Centre GmbH	Pareuro, BV
Loureshopping – Centro Comercial, S.A.	Park Avenue Develop. of Shop. Centers S.A.
Luz del Tajo – Centro Comercial S.A.	Parque Atlântico Shopping – C.C., S.A.
Luz del Tajo B.V.	Parque D. Pedro 1 B.V.
Madeirashopping – Centro Comercial, S.A.	Parque D. Pedro 2 B.V.
Maiashopping – Centro Comercial, S.A.	Parque de Famalicão – Empr. Imob., S.A.
Maiequipa – Gestão Florestal, S.A.	Parque Principado SL
Marcas do Mundo – Viag. e Turismo Unip, Lda	Pátio Boavista Shopping Ltda.
Marcas MC, ZRT	Pátio Campinas Shopping Ltda
Marimo – Exploração Hoteleira Imobiliária	Pátio Goiânia Shopping Ltda
Marina de Tróia S.A.	Pátio Londrina Empreend. e Particip. Ltda
Marinamagic – Expl.Cent.Lúdicos Marít, Lda	Pátio Penha Shopping Ltda.
Marmagno – Expl.Hoteleira Imob., S.A.	Pátio São Bernardo Shopping Ltda
Martimope – Sociedade Imobiliária, S.A.	Pátio Sertório Shopping Ltda
Marvero – Expl.Hoteleira Imob., S.A.	Pátio Uberlândia Shopping Ltda
MDS Affinity - Sociedade de Mediação, Lda	Peixes do Continente – Ind.Dist.Peixes, S.A.
MDS Consultores, S.A.	Pharmaconcept – Actividades em Saúde, S.A.
MDS Corretor de Seguros, S.A.	PHARMACONTINENTE – Saúde e Higiene, S.A.
MDS SGPS, SA	PJP – Equipamento de Refrigeração, Lda
MDSAUTO - Mediação de Seguros, SA	Plaza Éboli B.V.
Megantic BV	Plaza Éboli – Centro Comercial S.A.
Miral Administração e Corretagem de Seguros Ltda	Plaza Mayor Holding, SGPS, SA
MJLF – Empreendimentos Imobiliários, S.A.	Plaza Mayor Parque de Ócio BV
Mlearning - Mds Knowledge Centre, Unip, Lda	Plaza Mayor Parque de Ocio, SA
Modalfa – Comércio e Serviços, S.A.	Plaza Mayor Shopping BV
MODALLOOP – Vestuário e Calçado, S.A.	Plaza Mayor Shopping, SA
Modelo – Dist.de Mat. de Construção, S.A.	Ploi Mall BV
Modelo Continente Hipermercados, S.A.	Plysorol, BV
Modelo Continente Intenational Trade, SA	Poliface North America
Modelo Hiper Imobiliária, S.A.	POLINSUR – Mediação de seguros, LDA
Modelo.com – Vendas p/Correspond., S.A.	PORTCC - Portimãoshopping Centro Comercial, SA
Modus Faciendi - Gestão e Serviços, S.A.	Porturbe – Edificios e Urbanizações, S.A.
Movelpartes – Comp.para Ind.Mobiliária, S.A.	Praedium – Serviços, S.A.
Movimento Viagens – Viag. e Turismo U.Lda	Praedium II – Imobiliária, S.A.
Mundo Vip – Operadores Turisticos, S.A.	Praedium SGPS, S.A.
Munster Arkaden, BV	Predicomercial – Promoção Imobiliária, S.A.

Prédios Privados Imobiliária, S.A.	River Plaza, BV
Predisedas – Predial das Sedas, S.A.	Rochester Real Estate, Limited
Pridelease Investments, Ltd	RSI Corretora de Seguros Ltda
Proj. Sierra Germany 4 (four) – Sh.C.GmbH	S.C. Microcom Doi Srl
Proj.Sierra Germany 2 (two) – Sh.C.GmbH	Saúde Atlântica – Gestão Hospitalar, S.A.
Proj.Sierra Germany 3 (three) – Sh.C.GmbH	SC – Consultadoria, S.A.
Proj.Sierra Italy 1 – Shop.Centre Srl	SC – Eng. e promoção imobiliária,SGPS, S.A.
Proj.Sierra Italy 2 – Dev. Of Sh.C.Srl	SC Aegean B.V.
Proj.Sierra Italy 3 – Shop. Centre Srl	SC Assets SGPS, S.A.
Proj.Sierra Italy 5 – Dev. Of Sh.C.Srl	SC Finance BV
Proj.Sierra Portugal VIII – C.Comerc., S.A.	SC Mediterraneum Cosmos B.V.
Project 4, Srl	SC, SGPS, SA
Project SC 1 BV	SCS Beheer, BV
Project SC 2 BV	Selfrio – Engenharia do Frio, S.A.
Project Sierra 2 B.V.	Selfrio,SGPS, S.A.
Project Sierra 6 BV	Selifa – Empreendimentos Imobiliários, S.A.
Project Sierra 7 BV	Sempre à Mão – Sociedade Imobiliária, S.A.
Project Sierra 8 BV	Sempre a Postos – Produtos Alimentares e Utilidades, Lda
Project Sierra 9 BV	SERENITAS-SOC.MEDIAÇÃO SEG.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 Four, SA	Sete e Meio – Invest. Consultadoria, S.A.
Project Sierra Germany Shop. Center 1 BV	Sete e Meio Herdades – Inv. Agr. e Tur., S.A.
Project Sierra Germany Shop. Center 2 BV	Shopping Centre Parque Principado B.V.
Project Sierra Spain 1 B.V.	Shopping Penha B.V.
Project Sierra Spain 2 – Centro Comer. S.A.	Siaf – Soc.Iniciat.Aprov.Florestais - Energia, S.A.
Project Sierra Spain 2 B.V.	SIAL Participações Ltda
Project Sierra Spain 3 – Centro Comer. S.A.	Sierra Asset Management – Gest. Activos, S.A.
Project Sierra Spain 3 B.V.	Sierra Berlin Holding BV
Project Sierra Spain 6 B.V.	Sierra Central S.A.S
Project Sierra Spain 7 – Centro Comer. S.A.	Sierra Charagionis Develop.Sh. Centre S.A.
Project Sierra Spain 7 B.V.	Sierra Charagionis Propert.Management S.A.
Project Sierra Three Srl	Sierra Corporate Services – Ap.Gestão, S.A.
Project Sierra Two Srl	Sierra Corporate Services Holland, BV
Promessa Sociedade Imobiliária, S.A.	Sierra Develop.Iberia 1, Prom.Imob., S.A.
Prosa – Produtos e serviços agrícolas, S.A.	Sierra Development of Shopping Centres Greece, S.A.
Puravida – Viagens e Turismo, S.A.	Sierra Developments – Serv. Prom.Imob., S.A.
Quorum Corretora de seguros LT	Sierra Developments Germany GmbH
Racionaliz. y Manufact.Florestales, S.A.	Sierra Developments Holding B.V.
RASO - Viagens e Turismo, S.A.	Sierra Developments Italy S.r.l.
RASO, SGPS, S.A.	Sierra Developments Romania, Srl
Rio Sul – Centro Comercial, S.A.	Sierra Developments Spain – Prom.C.Com.SL
River Plaza Mall, Srl	Sierra Developments, SGPS, S.A.

Sierra Enplanta Ltda	Sonae Industria de Revestimentos, S.A.
Sierra European R.R.E. Assets Hold. B.V.	Sonae Indústria Manag. Serv, SA
Sierra GP Limited	Sonae Investimentos, SGPS, SA
Sierra Investimentos Brasil Ltda	Sonae Investments, BV
Sierra Investments (Holland) 1 B.V.	Sonae Novobord (PTY) Ltd
Sierra Investments (Holland) 2 B.V.	Sonae RE, S.A.
Sierra Investments Holding B.V.	Sonae Retalho Espana – Servicios Gen., S.A.
Sierra Investments SGPS, S.A.	Sonae SGPS, S.A.
Sierra Italy Holding B.V.	Sonae Sierra Brasil S.A.
Sierra Management Germany GmbH	Sonae Sierra Brazil B.V.
Sierra Management Greece S.A.	Sonae Sierra, SGPS, S.A.
Sierra Management Italy S.r.l.	Sonae Tafibra Benelux, BV
Sierra Management Portugal – Gest. CC, S.A.	Sonae Turismo – SGPS, S.A.
Sierra Management Romania, Srl	Sonae UK, Ltd.
Sierra Management Spain – Gestión C.Com.S.A.	Sonaegest – Soc.Gest.Fundos Investimentos
Sierra Management, SGPS, S.A.	SONAEMC - Modelo Continente, SGPS, S.A.
SII – Soberana Invest. Imobiliários, S.A.	Sondis Imobiliária, S.A.
SIRS – Sociedade Independente de Radiodifusão Sonora, S.A.	Sontel BV
Sistavac – Sist.Aquecimento,V.Ar C., S.A.	Sontur BV
SKK – Central de Distr., S.A.	Sonvecap BV
SKK SRL	Sopair, S.A.
SKKFOR – Ser. For. e Desen. de Recursos	Sotáqua – Soc. de Empreendimentos Turist
SMP – Serv. de Manutenção Planeamento	Spanboard Products, Ltd
Sociedade de Construções do Chile, S.A.	SPF – Sierra Portugal Real Estate, Sarl
Société de Tranchage Isoroy S.A.S.	Spinarq - Engenharia, Energia e Ambiente, SA
Socijofra – Sociedade Imobiliária, S.A.	Spinveste – Gestão Imobiliária SGII, S.A.
Sociloures – Soc.Imobiliária, S.A.	Spinveste – Promoção Imobiliária, S.A.
Soconstrução BV	Sport Retalho España – Servicios Gen., S.A.
Sodesa, S.A.	Sport Zone – Comércio Art.Desporto, S.A.
Soflorin, BV	Sport Zone – Turquia
Soira – Soc.Imobiliária de Ramalde, S.A.	Sport Zone Canárias, SL
Solinca - Eventos e Catering, SA	Sport Zone España-Com.Art.de Deporte,SA
Solinca - Health and Fitness, SA	Spred, SGPS, SA
Solinca – Investimentos Turísticos, S.A.	Stinnes Holz GmbH
Solinfitness – Club Malaga, S.L.	Tableros Tradema, S.L.
Solingen Shopping Center GmbH	Tafiber,Tableros de Fibras Ibéricas, SL
Soltroia – Imob.de Urb.Turismo de Tróia, S.A.	Tafibra Polska Sp.z.o.o.
Somit Imobiliária	Tafibra South Africa
SONAE - Specialized Retail, SGPS, SA	Tafibra Suisse, SA
Sonae Capital Brasil, Lda	Tafisa – Tableros de Fibras, S.A.
Sonae Capital,SGPS, S.A.	Tafisa Canadá Societé en Commandite
Sonae Center II S.A.	Tafisa France, S.A.
Sonae Center Serviços, S.A.	Tafisa UK, Ltd
Sonae Ind., Prod. e Com.Deriv.Madeira, S.A.	Taiber,Tableros Aglomerados Ibéricos, SL
Sonae Indústria – SGPS, S.A.	Tarkett Agepan Laminate Flooring SCS

Tecmasa Reciclados de Andalucia, SL	Valor N, S.A.
Terra Nossa Corretora de Seguros Ltda	Vastgoed One – Sociedade Imobiliária, S.A.
Têxtil do Marco, S.A.	Vastgoed Sun – Sociedade Imobiliária, S.A.
Tlantic Portugal – Sist. de Informação, S.A.	Venda Aluga – Sociedade Imobiliária, S.A.
Tlantic Sistemas de Informação Ltdª	Via Catarina – Centro Comercial, S.A.
Todos os Dias – Com.Ret.Expl.C.Comer., S.A.	Viajens y Turismo de Geotur España, S.L.
Tool Gmbh	Vistas do Freixo, SA
Torre Ocidente Imobiliária, S.A.	Vuelta Omega, S.L.
Torre São Gabriel – Imobiliária, S.A.	Weiterstadt Shopping BV
TP – Sociedade Térmica, S.A.	World Trade Center Porto, S.A.
Troia Market, S.A.	Worten – Equipamento para o Lar, S.A.
Tróia Natura, S.A.	Worten Canárias, SL
Troiaresort – Investimentos Turísticos, S.A.	Worten España, S.A.
Troiaverde – Expl.Hoteleira Imob., S.A.	ZIPPY - Comércio e Distribuição, SA
Tulipamar – Expl.Hoteleira Imob., S.A.	ZIPPY - Comercio y Distribución, S.A.
Unishopping Administradora Ltda.	Zippy Turquia
Unishopping Consultoria Imob. Ltda.	Zubiarte Inversiones Inmobiliarias, S.A.
Urbisedas – Imobiliária das Sedas, S.A.	ZYEVOLUTION-Invest.Desenv.,SA.
Valecenter Srl	

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

8.3. Sonaecom individual financial statements

Balance sheets

In 30 September 2011 and 2010 and 31 December 2010

	Notes	September 2011	September 2010	December 2010
Assets				
Non-current assets				
Tangible assets	1a, 1e and 2	376,325	446,958	428,818
Intangible assets	1b and 3	3,840	13,399	8,476
Investments in Group companies	1c and 5	1,100,697,029	934,826,790	996,797,029
Other non-current assets	1c, 1l, 1m, 4 and 6	557,281,652	650,535,016	560,706,652
Total non-current assets		1,658,358,846	1,585,822,163	1,557,940,975
Current assets				
Other current debtors	1d, 1f, 4 and 8	14,851,907	12,430,261	9,668,483
Other current assets	1l and 1m	1,984,115	5,713,296	1,638,580
Cash and cash equivalents	1g, 4 and 9	100,237,085	1,713,344	75,631,256
Total current assets		117,073,107	19,856,901	86,938,319
Total assets		1,775,431,953	1,605,679,064	1,644,879,294
Shareholder' funds and liabilities				
Shareholders' funds				
Share capital	10	366,246,868	366,246,868	366,246,868
Own shares	1o and 11	(13,594,518)	(13,725,585)	(15,030,834)
Reserves	1n	904,008,211	788,216,313	788,244,305
Net income / (loss) for the period		598,457	8,863,716	135,403,787
Total Shareholders' funds		1,257,259,018	1,149,601,312	1,274,864,126
Liabilities				
Non-current liabilities				
Medium and long-term loans – net of short-term portion	1h, 4 and 12a	318,344,375	338,785,713	304,333,736
Provisions for other liabilities and charges	1j, 1m and 13	68,654	52,773	56,487
Other non-current liabilities	1l, 1m, 1r and 20	236,392	337,226	374,091
Deferred tax liabilities	1k, 1m and 7	–	1,386,612	–
Total non-current liabilities		318,649,421	340,562,324	304,764,314
Current liabilities				
Short-term loans and other loans	1h, 1g, 4 and 12b	193,588,701	113,355,170	53,472,759
Other creditors	4 and 14	5,086,758	692,058	10,367,886
Other current liabilities	1l, 1m, 1r and 20	848,055	1,468,200	1,410,209
Total current liabilities		199,523,514	115,515,428	65,250,854
Total Shareholders' funds and liabilities		1,775,431,953	1,605,679,064	1,644,879,294

The notes are an integral part of the financial statements at 30 September 2011 and 2010.

The Chief Accountant

Patrícia Maria Cruz Ribeiro da Silva

The Board of Directors

Duarte Paulo Teixeira de Azevedo

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Gervais Gilles Pellissier

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Nuno Miguel Moniz Trigoso Santos Jordão

Profit and Loss account by nature

For the periods ended at 30 September 2011 and 2010 and for the year ended at 31 December 2010

	Notes	September 2011 (not audited)	July to September 2011 (not audited)	September 2010 (not audited)	July to September 2010 (not audited)	December 2010
Services rendered	17	2,956,622	963,963	4,824,236	1,579,544	6,278,651
Other operating revenues	1f	896	(87,253)	5,072	20	14,584
		2,957,518	876,710	4,829,308	1,579,564	6,293,235
External supplies and services	15	(1,555,720)	(422,782)	(2,267,238)	(714,515)	(2,781,738)
Staff expenses	1r	(1,975,551)	(608,855)	(3,274,381)	(1,076,578)	(4,358,462)
Depreciation and amortisation	1a, 1b, 1q, 2 and 3	(56,882)	(18,622)	(87,511)	(28,697)	(111,539)
Other operating costs		(77,087)	(39,531)	(126,752)	(35,457)	(137,269)
		(3,665,240)	(1,089,790)	(5,755,882)	(1,855,247)	(7,389,008)
Gains and losses on Group companies	16	(3,236,000)	0	2,566,323	(3,800,000)	129,026,996
Other financial expenses	1c, 1h, 1q, 12 and 16	(7,979,214)	(2,928,544)	(5,801,471)	(2,106,599)	(7,949,668)
Other financial income	1c, 12 and16	14,537,015	4,210,739	14,551,219	9,653,016	16,671,281
Current income / (loss)		2,614,079	1,069,115	10,389,497	3,470,734	136,652,836
Income taxation	1k and 7	(2,015,622)	(145,864)	(1,525,781)	(1,364,617)	(1,249,049)
Net income / (loss) for the period		598,457	923,251	8,863,716	2,106,117	135,403,787
Earnings per share	19					
Including discontinued operations:						
Basic		0.00	0.00	0.02	(0.00)	0.38
Diluted		0.00	0.00	0.02	(0.00)	0.38
Excluding discontinued operations:						
Basic		0.00	0.00	0.02	(0.00)	0.38
Diluted		0.00	0.00	0.02	(0.00)	0.38

The notes are an integral part of the financial statements at 30 September 2011 and 2010.

The Chief Accountant

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Nuno Miguel Moniz Trigoso Santos Jordão

Statement comprehensive income

For the periods ended at 30 September 2011 and 2010

	Notes	September 2011	September 2010
Net income / (loss) for the period		598,457	8,863,716
Components of other comprehensive income, net of tax		-	-
Statement comprehensive income for the period		598,457	8,863,716

The notes are an integral part of the financial statements at 30 September 2011 and 2010.

The Chief Accountant

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Movements in Shareholders' funds

For the periods ended at 30 September 2011 and 2010

			Reserves								
	Share capital	Own shares (note 11)	Share premium	Legal reserves	Medium Term Incentive Plans reserves (note 20)	Own shares reserves	Other reserves	Total reserves	Net income / (loss)	Total
2011										
Balance at 31 December 2010	366,246,868	(15,030,834)	775,290,377	1,221,003	551,381	15,030,834	(3,849,290)	788,244,305	135,403,787	1,274,864,126
Appropriation of result of 2010										
Transfer to legal reserves and other reserves	-	-	-	6,770,189	-	-	128,633,598	135,403,787	(135,403,787)	-
Dividends distribution	-	-	-	-	-	-	(17,859,403)	(17,859,403)	-	(17,859,403)
Comprehensive income for the period ended at 30 September 2011	-	-	-	-	-	-	-	-	598,457	598,457
Delivery of own shares under the Medium Term Incentive Plans	-	3,659,603	-	-	(186,538)	(3,659,603)	1,775,360	(2,070,781)	-	1,588,822
Effect of the recognition of the Medium Term Incentive Plans	-	-	-	-	290,303	-	-	290,303	-	290,303
Acquisition of own shares	-	(2,223,287)	-	-	-	2,223,287	(2,223,287)	-	-	(2,223,287)
Balance at 30 September 2011	366,246,868	(13,594,518)	775,290,377	7,991,192	655,146	13,594,518	106,476,978	904,008,211	598,457	1,257,259,018

The notes are an integral part of the financial statements at 30 September 2011 and 2010.

			Reserves							
	Share capital	Own shares (note 11)	Share premium	Legal reserves	Medium Term Incentive Plans reserves (note 20)	Own shares reserves	Other reserves	Total reserves	Net income / (loss)	Total
2010										
Balance at 31 December 2009	366,246,868	(12,809,015)	775,290,377	1,985,181	361,418	12,809,015	5,292,287	795,738,278	(6,056,465)	1,143,119,666
Appropriation of result of 2009	-	-	-	(764,178)	-	-	(5,292,287)	(6,056,465)	6,056,465	-
Comprehensive income for the period ended at 30 September 2010	-	-	-	-	-	-	-	-	8,863,716	8,863,716
Delivery of own shares under the Medium Term Incentive Plans	-	2,581,036	-	-	(69,962)	(2,581,036)	1,012,560	(1,638,438)	-	942,598
Effect of the recognition of the Medium Term Incentive Plans	-	-	-	-	172,938	-	-	172,938	-	172,938
Acquisition of own shares	-	(3,497,606)	-	-	-	3,497,606	(3,497,606)	-	-	(3,497,606)
Balance at 30 September 2010	366,246,868	(13,725,585)	775,290,377	1,221,003	464,394	13,725,585	(2,485,046)	788,216,313	8,863,716	1,149,601,312

The notes are an integral part of the financial statements at 30 September 2011 and 2010.

Cash Flow statements

For the periods ended at 30 September 2011 and 2010

	September 2011		September 2010	
Operating activities				
Payments to employees	(2,396,352)		(3,299,934)	
Cash flows from operating activities	(2,396,352)		(3,299,934)	
Payments / receipts relating to income taxes, net	926,884		(1,464,467)	
Other payments / receipts relating to operating activities, net	3,579,984		5,023,459	
Cash flows from operating activities (1)	2,110,516	2,110,516	259,058	259,058
Investing activities				
Receipts from:				
Investments	17,840,000		15,788,458	
Tangible assets	800		–	
Interest and similar income	8,946,767		10,357,153	
Loans granted	170,611,000		–	
Dividends	–	197,398,567	10,500,000	36,645,611
Payments for:				
Investments	(175,550,291)		(16,490,000)	
Tangible assets	(1,968)		–	
Intangible assets	–		(1,521)	
Loans granted	(125,472,000)	(301,024,258)	(31,570,000)	(48,061,521)
Cash flows from investing activities (2)		(103,625,691)		(11,415,910)
Financing activities				
Receipts from:				
Loans obtained	174,344,000	174,344,000	85,727,000	85,727,000
Payments for:				
Interest and similar expenses	(8,578,611)		(5,048,948)	
Acquisition of own shares	(2,223,287)		(3,497,605)	
Loans obtained	(19,900,000)		(67,500,000)	
Dividends	(17,859,403)	(48,561,301)	–	(76,046,553)
Cash flows from financing activities (3)		125,782,699		9,680,447
Net cash flows (4)=(1)+(2)+(3)		24,267,524		(1,476,405)
Effect of the foreign exchanges				
Cash and cash equivalents at the beginning of the period		75,631,256		3,189,749
Cash and cash equivalents at period end		99,898,780		1,713,344

The notes are an integral part of the financial statements at 30 September 2011 and 2010.

Chief Accountant

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Notes to the cash flow statements

For the periods ended at 30 September 2011 and 2010

	2011	2010
1. Acquisition or sale of subsidiaries or other businesses		
a) Other business activities		
Reimburse of supplementary capital from Público- Comunicação Social, S.A.	17,840,000	–
Reimburse of supplementary capital from Sonaetelecom BV	–	15,788,458
	17,840,000	15,788,458
b) Other business activities		
Supplementary capital to PCJ - Público, Comunicação e Jornalismo, S.A.	12,990,000	–
Payment of Acquisiction Sontária- Empreendimentos Imobiliários, S.A.	8,860,291	–
Payment of Acquisiction Público - Comunicação Social, S.A.	20,000,000	–
Payment of Acquisiction Optimus - Comunicações S.A.	133,700,000	–
Supplementary capital to Sonaetelecom BV	–	15,000,000
Share capital increase in Sonae Telecom, S.G.P.S., S.A.	–	1,490,000
	175,550,291	16,490,000
2. Details of cash and cash equivalents		
Cash in hand	10,063	10,034
Cash at bank	57,022	263,310
Treasury applications	100,170,000	1,440,000
Overdrafts	(338,305)	–
Cash and cash equivalents	99,898,780	1,713,344
Overdrafts	338,305	–
Cash assets	100,237,085	1,713,344
3. Description of non-monetary financing activities		
a) Bank credit obtained and not used	103,050,000	123,000,000
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 September 2011 and 2010.

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8.4. Notes to the individual financial statements

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

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

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

By decision of the Shareholders' General Meeting held on 12 September 2005, Sonaecom's share capital was increased by Euro 70,276,868, from Euro 226,250,000 to Euro 296,526,868, by the issuance of 70,276,868 new shares of 1 euro each and with a share premium of Euro 242,455,195, 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 by Euro 69,720,000, from Euro 296,526,868 to Euro 366,246,868, by the issuance of 69,720,000 new shares of 1 euro each and with a share premium of Euro 275,657,217, subscribed by 093X – Telecomunicações Celulares, S.A. (EDP) and Parpública – Participações Públicas, SGPS, S.A. (Parpública). The corresponding public deed was executed on 18 October 2006.

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) and considering the IAS 34 - "Interim Financial Reporting".

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 IFRS 1 – '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.

The following standards, interpretations, amendments and revisions approved (endorsed) by the European Union have mandatory application to financial years beginning on or after 1 January 2011 and were first adopted in the period ended at 30 September 2011:

Standard / Interpretation	Effective date (annual periods beginning on or after)
IFRS 1 - Amendment (Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters)	1-Jul-10
The amendment ensures that first-time adopters benefit from the same transition provisions that the Amendment to IFRS 7 introduced in March 2009 (Improving Disclosures about Financial Instruments) provides to current IFRS preparers.	
Revised IAS 24 (Related Parties Disclosures)	1-Jan-11
The revised standard addresses concerns that the previous disclosure requirements and definition of a 'related party' were too complex and difficult to apply in practice, particularly in environments where government control is pervasive, by: (1) providing a partial exemption for government-related entities; (2) providing a revised definition of a related party.	
IAS 32 – Amendments (Clarification of issuing rights)	1-Feb-10 *
The amendment states that if such rights are issued pro rata to an entity's all existing shareholders in the same class for a fixed amount of currency, they should be classified as equity regardless of the currency in which the exercise price is denominated.	
IFRIC 14 – Amendments (Voluntary pre-paid contributions)	1-Jan-11
The amendments correct an unintended consequence of IFRIC 14. Without the amendments, in some circumstances entities are not permitted to recognise as an asset some voluntary prepayments for minimum funding contributions.	
IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments	1-Jul-10 *
Clarifies the requirements of IFRSs when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to fully or partially settle the financial liability.	

* The effective date in accordance with the adoption by the EU was subsequent to the effective date originally established by the standard.

The application of these standards did not have significant impacts on the Company's financial statements.

The following standards, interpretations, amendments and revisions have been, at the date of approval of these financial statements, approved (endorsed) by the European Union, whose application is mandatory only future financial years:

Standard / Interpretation	Effective date (annual periods beginning on or after)
Improvements to IFRSs – 2008/2010	18-Feb-11*
This process included the review of 7 accounting standards.	

* The effective date in accordance with the adoption by the EU was subsequent to the effective date originally established by the standard.

These standards, although approved (endorsed) by the European Union, were not adopted by the Company for the period ended at 30 September 2011, as the application of these standards is not yet mandatory. No significant impacts are expected to arise in the financial statements resulting from their adoption.

The following standards, interpretations, amendments and revisions have not yet been approved (endorsed) by the European Union, at the date of approval of these financial statements:

Standard / Interpretation	Effective date (annual periods beginning on or after)
IAS 12 - Amendments (Deferred tax: Recovery of Underlying Assets)	1-Jan-12
The amendment introduces, in the case of investment properties measured using the fair value model, the presumption that recovery of the carrying amount will normally be through sale, in order to determine their tax impact. As a result of the amendments, SIC 21 - 'Income Taxes—Recovery of Revalued Non-Depreciable Assets' would no longer apply to investment properties carried at fair value. The amendments also incorporate into IAS 12 the remaining guidance previously contained in SIC-21, which is accordingly withdrawn.	
IFRS 1 - Amendments (Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters)	1-Jul-11
The amendments: 1) replace the fixed dates in the derecognition exception and the exemption related to the initial fair value measurement of financial instruments; and 2) add a deemed cost exemption to IFRS 1 that an entity can apply at the date of transaction to IFRSs after being subject to severe hyperinflation.	
IFRS 7 - Financial Instruments: Disclosures - Amendments (issued 7 October 2010)	1-Jul-11
The amendment requires disclosures to improve the understanding of transfer transactions of financial assets (for example, securitisations), including understanding the possible effects of any risks that may remain after the transfer. It also requires additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.	

Standard / Interpretation	Effective date (annual periods beginning on or after)
IFRS 9 - Financial Instruments	1-Jan-13
This standard is the first step in the project to replace IAS 39, and it introduces new requirements for classifying and measuring financial assets.	
IFRS 10 - Consolidated Financial Statements	1-Jan-13
Builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.	
IFRS 11 - Joint Arrangements	1-Jan-13
Provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case). The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities.	
IFRS 12 - Disclosures of Interests in Other Entities	1-Jan-13
New and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.	
IFRS 13 - Fair Value Measurement	1-Jan-13
It will improve consistency and reduce complexity by providing, for the first time, a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs.	
IAS 1 - Presentation of Items of Other Comprehensive Income	1-Jul-12
The amendments to IAS 1 require companies preparing financial statements in accordance with IFRSs to group together items within OCI that may be reclassified to the profit or loss section of the income statement.	
IAS 19 - Employee Benefits	1-Jan-13
The amendments make important improvements by eliminating an option to defer the recognition of gains and losses, known as the 'corridor method', improving comparability and faithfulness of presentation, streamlining the presentation of changes in assets and liabilities arising from defined benefit plans and enhancing the disclosure requirements for defined benefit plans.	
IAS 27 - Separate Financial Statements	1-Jan-13
Consolidation requirements previously forming part of IAS 27 have been revised and are now contained in IFRS 10 Consolidated Financial Statements´.	
IAS 28 - Investments in Associates and Joint Ventures	1-Jan-13
The objective of IAS 28 (as amended in 2011) is to prescribe the accounting for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.	

The application of these standards and interpretations, as applicable to the Company will have no material effect on future financial statements of the Company.

The accounting policies and measurement criteria adopted by the Company at 30 September 2011 are comparable with those used in the preparation of the individual financial statements at 31 December 2010.

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 realisation 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	5-8
Fixtures and fittings	3-10

Current maintenance and repair costs of tangible 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 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 recorded as cost when they are incurred.

d) Financial instruments
The Company classifies its financial instruments 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 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 12 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 Company provides money 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 12 months from the balance sheet date, a situation in which they are classified as non-current assets. Loans and receivables are included under the caption '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 Company'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 12 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 is 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 relating to this caption is presented net of any impairment losses, which are recorded in the profit and loss statement under the caption 'Provisions and 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 –'Statement of Cash Flow', using the direct method. The Company classifies, under 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 subsidiary 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 until 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.

At 30 September 2011, the Company did not have any derivative.

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 – 'Income Tax'.

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 realised.

Whenever deferred taxes derive from assets or liabilities directly registered in Shareholders' funds, its recording is also made under the 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 '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 captions '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', ie, 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 – 'Share based payment', the responsibility related with the equity settled plans is registered, as a credit, under the caption 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 September 2011, Sonaecom, SGPS, S.A., have reserves which by their nature could be considered distributable, in the amount of around Euro 107 million.

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 caption '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:

	2011		2010	
	30 September	Average	30 September	Average
Pounds Sterling	1.1539	1.1478	1.1629	1.1677
American Dollar	0.7208	0.7389	-	-
Swiss franc	0.8217	0.8123	-	-
Swedish krona	0.1080	0.1111	0.7327	0.7625

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, 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, calculated in terms of value in use, 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 possible 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 caption '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, ie, 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:

(i) 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';

(ii) 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';

(iii) The net effect of the entries in (i) and (ii) above eliminate the original entry to 'Shareholders' funds';

(iv) 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 under 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 under 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 September 2011, 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, under the caption 'Medium term incentive plans reserve'. The cost is recognised under the income statement caption 'Staff expenses'.

At 30 September 2011, all equity-settled plans to be liquidated through the delivery of shares of the parent company were covered by contracts with an external entity under which the acquisition price of those shares was fixed. Therefore, 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, under the captions 'Other non-current liabilities' and 'Other current liabilities'. The cost is recognised on the income statement under the 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 periods ended at 30 September 2011 and 2010 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 – 'Accounting Policies, Changes in Accounting Estimates and Errors', 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 minimise 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 minimise 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 on 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 the latter having 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 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 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 – 'Financial Instruments'), 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 – 'Financial Instruments', 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 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.

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 us to maximise the profitability and to minimise the opportunity costs related with that liquidity.

The liquidity risk management has a threefold objective: (i) Liquidity, ie, 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, ie, to minimise the probability of default in any reimbursement of application of funds; and (iii) Financial efficiency, ie, to ensure that the Company maximises the value / minimise 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) 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 reduce 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 equalise 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.

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

The movement in tangible assets and in the corresponding accumulated depreciation and impairment losses in periods ended 30 September 2011 and 2010 was as follows:

						2011
	Buildings and other constructions	Plant and machinery	Tools	Fixtures and fittings	Other tangible assets	Total
Gross assets						
Balance at 31 December 2010	721,165	46,325	171	332,060	619	1,100,340
Disposals	–	–	–	–	(515)	(515)
Balance at 30 September 2011	721,165	46,325	171	332,060	104	1,099,825
Accumulated depreciation and impairment losses						
Balance at 31 December 2010	403,292	25,891	170	241,851	318	671,522
Depreciation for the period	31,083	5,472	–	15,638	54	52,246
Disposals	–	–	–	–	(268)	(268)
Balance at 30 September 2011	434,375	31,363	170	257,489	104	723,500
Net value	286,790	14,962	1	74,571	–	376,325

						2010
	Buildings and other constructions	Plant and machinery	Tools	Fixtures and fittings	Other tangible assets	Total
Gross assets						
Balance at 31 December 2009	721,165	46,325	171	331,750	619	1,100,030
Additions	–	–	–	309	–	309
Balance at 30 September 2010	721,165	46,325	171	332,059	619	1,100,339
Accumulated depreciation and impairment losses						
Balance at 31 December 2009	347,862	17,977	170	216,945	189	583,143
Depreciation for the period	45,069	6,090	–	18,982	97	70,238
Balance at 30 September 2010	392,931	24,067	170	235,927	286	653,381
Net value	328,234	22,258	1	96,132	333	446,958

3. Intangible assets

The movement in intangible assets and in the corresponding accumulated amortisation and impairment losses in the periods ended at 30 September 2011 and 2010, was as follows:

				2011
	Brands, patents and other rights	Software	Intangible assets in progress	Total
Gross assets				
Balance at 31 December 2010	9,719	183,247	376	193,342
Transfers and write-offs	–	376	(376)	–
Balance at 30 September 2011	9,719	183,623	–	193,342
Accumulated depreciation and impairment losses				
Balance at 31 December 2010	7,281	177,585	–	184,866
Depreciation for the period	779	3,857	–	4,636
Balance at 30 September 2011	8,060	181,442	–	189,502
Net value	1,659	2,181	–	3,840

				2010
	Brands, patents and other rights	Software	Intangible assets in progress	Total
Gross assets				
Balance at 31 December 2009	6,650	182,283	376	189,309
Additions	3,069	–	–	3,069
Balance at 30 September 2010	9,719	182,283	376	192,378
Accumulated depreciation and impairment losses				
Balance at 31 December 2009	6,259	155,447	–	161,706
Depreciation for the period	723	16,550	–	17,273
Balance at 30 September 2010	6,982	171,997	–	178,979
Net value	2,737	10,286	376	13,399

4. Breakdown of financial instruments

At 30 September 2011 and 2010, the breakdown of financial instruments was as follows:

						2011
	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 (note 6)	557,281,652	–	–	557,281,652	–	557,281,652
	557,281,652	–	–	557,281,652	–	557,281,652
Current assets						
Other trade debtors (note 8)	11,957,805	–	–	11,957,805	2,894,102	14,851,907
Cash and cash equivalents (note 9)	100,237,085	–	–	100,237,085	–	100,237,085
	112,194,890	–	–	112,194,890	2,894,102	115,088,992

	Loans and receivables	Investments held to maturity	Investments available for sale	Subtotal	Others not covered by IFRS 7	Total
						2010
Non-current assets						
Other-non current assets (note 6)	650,535,016	–	–	650,535,016	–	650,535,016
	650,535,016	–	–	650,535,016	–	650,535,016
Current assets						
Other trade debtors (note 8)	10,133,442	–	–	10,133,442	2,296,819	12,430,261
Cash and cash equivalents (note 9)	1,713,344	–	–	1,713,344	–	1,713,344
	11,846,786	–	–	11,846,786	2,296,819	14,143,605

	Derivatives	Liabilities recorded at amortised cost	Other financial liabilities	Subtotal	Others not covered by IFRS 7	Total
						2011
Non-current liabilities						
Medium and long-term loans – net of short-term portion (note 12)	–	318,344,375	–	318,344,375	–	318,344,375
	–	318,344,375	–	318,344,375	–	318,344,375
Current liabilities						
Short-term loans and other loans (note 12)	–	193,588,701	–	193,588,701	–	193,588,701
Other creditors (note 14)	–	–	1,766,381	1,766,381	3,320,377	5,086,758
	–	193,588,701	1,766,381	195,355,082	3,320,377	198,675,459

	Derivatives	Liabilities recorded at amortised cost	Other financial liabilities	Subtotal	Others not covered by IFRS 7	Total
						2010
Non-current liabilities						
Medium and long-term loans – net of short-term portion (note 12)	–	338,785,713	–	338,785,713	–	338,785,713
	–	338,785,713	–	338,785,713	–	338,785,713
Current liabilities						
Short-term loans and other loans (note 12)	–	113,355,170	–	113,355,170	–	113,355,170
Other creditors (note 14)	–	–	450,769	450,769	241,289	692,058
	–	113,355,170	450,769	113,805,939	241,289	114,047,228

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 September 2011 and 2010, this caption included the following investments in Group companies:

Company	2011	2010
Optimus - Comunicações, S.A. ('Optimus')	898,576,231	764,876,231
Sonae Telecom, S.G.P.S., S.A. ('Sonae Telecom')	107,289,987	107,289,987
Sonaetelecom BV	75,009,902	44,209,902
Sonae com – Sistemas de Informação, S.G.P.S., S.A. ('Sonae com SI')	52,241,587	52,241,587
Sonaecom BV	25,020,000	20,000
Be Artis – Concepção, Construção e Gestão de Redes de Comunicações, S.A. ('Be Artis')	8,230,885	8,230,885
Sontária - Empreendimentos Imobiliários, S.A. ('Sontária')	6,120,239	–
Miauger – Organização e Gestão de Leilões Electrónicos, S.A. ('Miauger')	4,568,100	4,568,100
Público - Comunicação Social, S.A. ('Público')	1,000,000	–
PCJ - Público, Comunicação e Jornalismo, S.A. ('PCJ')	50,000	–
	1,178,106,931	981,436,692
Impairment losses (note 13)	(77,409,902)	(46,609,902)
Total investments in Group companies	1,100,697,029	934,826,790

The movements that occurred in investments in Group companies during the periods ended 30 September 2011 and 2010, were as follows:

Company	Balance at 31 December 2010	Additions	Disposals	Transfers and write-offs	Balance at 30 September 2011
Optimus	764,876,231	133,700,000	–	–	898,576,231
Sonae Telecom	107,289,987	–	–	–	107,289,987
Sonaetelecom BV	75,009,902	–	–	–	75,009,902
Sonae com SI	52,241,587	–	–	–	52,241,587
Sonaecom BV	25,020,000	–	–	–	25,020,000
Be Artis	8,230,885	–	–	–	8,230,885
Sontária	6,120,239	–	–	–	6,120,239
Miauger	4,568,100	–	–	–	4,568,100
PCJ	50,000	–	–	–	50,000
Público	-	1,000,000	-	-	1,000,000
	1,043,406,931	134,700,000	-	-	1,178,106,931
Impairment losses (note 13)	(46,609,902)	(916,000)	-	(29,884,000)	(77,409,902)
	996,797,029	134,700,000	-	-	1,100,697,029

	Balance at 31 December 2009	Additions	Disposals	Transfers and write-offs	Balance at 30 September 2010
Optimus	764,876,231	–	–	–	764,876,231
Sonae Telecom	105,799,987	1,490,000	–	–	107,289,987
Sonae com SI	52,241,587	–	–	–	52,241,587
Sonaetelecom BV	44,209,902	–	–	–	44,209,902
Miauger	4,568,100	–	–	–	4,568,100
Be Artis	50,000	–	–	8,180,885	8,230,885
Sonaecom BV	20,000	–	–	–	20,000
	971,765,807	1,490,000	-	8,180,885	981,436,692
Impairment losses (note 13)	(46,609,902)	–	–	–	(46,609,902)
	925,155,905	1,490,000	–	8,180,885	934,826,790

The amount of Euro 133,700,000 under the caption 'Additions' at Optimus relates to the acquisition of 10.60% of share capital of this subsidiary to Sonaecom BV. Now, the company holds 64.14% of Optimus share capital.

The amount of Euro 1,000,000 relates to the acquisition of the entire share capital of Público – Comunicação Social, S.A. to Sonaetelecom BV.

The variation in 'Impairment losses' result from the increase made in the amount of Euro 916,000 and the transfer of Euro 29,884,000 to the caption 'Other non-current assets' (note 6).

The Company presents separate consolidated financial statements at 30 September 2011, in accordance with International Financial Reporting Standards (IAS / IFRS) as adopted by the European Union, which presents total consolidated assets of Euro 1,909,792,227, total consolidated liabilities of Euro 894,620,868, consolidated operational revenues of Euro 656,603,179 and consolidated Shareholders' funds of Euro 1,015,171,359, including a consolidated net profit (attributable to the Shareholders of the parent company – Sonaecom, S.G.P.S., S.A.) for the period ended at 30 September 2011 of Euro 57,091,345.

At 30 September 2011 and 2010, the main financial information regarding the subsidiaries directly owned by the Company is as follows (values in accordance with IAS / IFRS):

		2011			2010		
Company	Head office	% holding	Shareholders' funds	Net profit / (loss)	% holding	Shareholders' funds	Net profit / (loss)
Optimus	Maia	64.14%	492,075,699	42,873,827	53.54%	512,287,916	(1,834,588)
Sonae Telecom	Maia	100%	165,243,328	(8,706)	100%	165,241,715	(48,482)
Sonae com SI	Maia	100%	39,943,570	392,987	100%	37,073,198	443,142
Miauger	Maia	100%	488,572	(771,465)	100%	1,268,354	(1,052,487)
Sonaetelecom BV	Amesterdam	100%	1,624,101	1,379,660	100%	604,053	(5,726,270)
Sonaecom BV	Amesterdam	100%	14,590,356	1,094,108	100%	(20,685,684)	(4,229,024)
Be Artis	Maia	100%	153,937,311	(13,324,338)	100%	101,967,911	(6,757,054)
PCJ (a)	Maia	100%	13,482,002	442,002	–	–	–
Público (b)	Maia	100%	(936,173)	(2,717,677)	–	–	–
Sontária (c)	Maia	100%	935,018	301,215	–	–	–

(a) Company established in December 2010.
(b) Company adquired in January 2011.
(c) Company adquired in December 2010.

At 30 September 2011, Sonaecom owned, indirectly, through Sonae Telecom S.G.P.S., S.A., an additional shareholding of 35.86% in Optimus – Comunicações, S.A., amounting to 100% of participation.

The evaluation of the existence of impairment losses for the main investments in the Group companies is made by taking into account the cash-generating units, 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 five 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% or others considered more conservative, for specific cases. In situations where the measurement of the existence, or not, of impairment is made based on the net selling price, values of similar transactions and other proposals made are used.

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

6. Other non-current assets

At 30 September 2011 and 2010, this caption was made up as follows:

	2011	2010
Financial assets		
Medium and long-term loans granted to Group companies:		
Be Artis	296,192,000	295,485,000
Sonaecom BV	19,668,000	209,008,000
Sonae com SI	17,300,000	18,710,000
PCJ	5,000,000	–
Sontária	2,676,637	–
Sonaetelecom BV	900,000	21,741,000
Lugares Virtuais	700,000	1,530,000
Wedo Consulting	–	1,490,000
	342,436,637	547,964,000
Supplementary capital:		
Be Artis	165,889,115	107,459,115
Sonae Telecom SGPS	38,630,000	–
PCJ	12,990,000	–
Público	1,160,000	–
Miauger	800,000	800,000
Sonaetelecom BV	–	26,500,000
	219,469,115	134,759,115
	561,905,752	682,723,115
Accumulated impairment losses (note 13)	(4,624,100)	(32,188,099)
	557,281,652	650,535,016

During the periods ended at 30 September 2011 and 2010, the movements that occurred in 'Medium and long-term loans granted to Group companies' were as follows:

					2011
Company	Opening balance	Increases	Decreases	Transfers	Closing balance
Be Artis	175,720,000	120,472,000	–	–	296,192,000
Sonaecom BV	168,158,000	–	(148,490,000)	–	19,668,000
Sonae com SI	21,190,000	–	(3,890,000)	–	17,300,000
Sonaetelecom BV	18,141,000	–	(17,241,000)	–	900,000
Sontária	2,676,637	–	–	–	2,676,637
Lugares Virtuais	1,170,000	–	(470,000)	–	700,000
Wedo Consulting	520,000	–	(520,000)	–	–
PCJ	–	5,000,000	–	–	5,000,000
	387,575,637	125,472,000	(170,611,000)	–	342,436,637

					2010
Company	Opening balance	Increases	Decreases	Transfers	Closing balance
Be Artis	271,915,000	152,160,000	(128,590,000)	–	295,485,000
Sonaecom BV	199,088,000	23,640,000	(13,720,000)	–	209,008,000
Sonaetelecom BV	28,521,000	8,420,000	(15,200,000)	–	21,741,000
Wedo Consulting	8,490,000	–	(7,000,000)	–	1,490,000
Sonae com SI	7,350,000	11,410,000	(50,000)	–	18,710,000
Lugares Virtuais	1,030,000	600,000	(100,000)	–	1,530,000
	516,394,000	196,230,000	(164,660,000)	–	547,964,000

During the periods ended at 30 September 2011 and 2010, the movements in 'Supplementary capital' were as follows:

					2011
Company	Opening balance	Increases	Decreases	Transfers	Closing balance
Be Artis	165,889,115	–	–	–	165,889,115
Sonae Telecom SGPS	38,630,000	–	–	–	38,630,000
Miauger	800,000	–	–	–	800,000
PCJ	–	12,990,000	–	–	12,990,000
Público	–	19,000,000	(17,840,000)	–	1,160,000
	205,319,115	31,990,000	(17,840,000)	–	219,469,115

					2010
Company	Opening balance	Increases	Decreases	Transfers	Closing balance
Be Artis	115,640,000	–	–	(8,180,885)	107,459,115
Sonae Telecom SGPS	15,788,458	–	(15,788,458)	–	–
Sonaetelecom BV	11,500,000	15,000,000	–	–	26,500,000
Miauger	800,000	–	–	–	800,000
	143,728,458	15,000,000	(15,788,458)	(8,180,885)	134,759,115

During the periods ended at 30 September 2011 and 2010, the loans granted to Group companies earned interest at market rates with an average interest rate of 4.09% and 3.47%, respectively. Supplementary capital is non-interest bearing.

The movement under the caption 'Accumulated impairment losses' results from the transfer in the amount of Euro 29,884,000 to the caption 'Investments in Group companies' (note 5), partially offset by the reinforcements performed during the period, in the amount of Euro 2,320,000 (note 13).

Loans granted to Group companies and Supplementary capital, do not have a defined maturity, therefore no information about the aging of these loans is presented.

The evaluation of the existence of impairment losses for the loans made 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 five years. The discount rates used and the perpetuity growth considered are presented in the previous note (note 5). In perpetuity, the Company considered a growth rate of circa 3% and others considered more conservative, for specific cases. In situations where the measurement of the existence, or not, of impairment is made based on the net selling price, values of similar transactions and other proposals made are used.

7. Deferred taxes

The movement in deferred tax liabilities in the periods ended at 30 September 2011 and 2010 was as follows:

	2011	2010
Opening balance	-	10,480
Impact on results		
Tax results	-	1,955,793
Fiscal Benefit (Sifide)	-	(569,181)
IFRS adjustments	-	(10,480)
Closing balance	-	1,386,612

At 30 September 2011, the value of deferred tax assets not recorded where it is not expected that sufficient taxable profits will be generated in the future to cover those losses, have the following detail:

Year of origin	Tax losses	Provisions not acceptable for tax purposes	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	20,982,265	(149,858)	20,832,407	5,205,854
2007	54,563,604	(537,036)	54,026,568	13,498,586
2008	-	9,893,940	9,893,940	2,621,894
2009	-	9,903,475	9,903,475	2,624,421
2010	-	8,225,377	8,225,377	2,179,725
2011	-	3,612,563	3,612,563	957,329
	75,545,869	83,627,143	159,173,012	41,047,660

The rate used at 30 September 2011 to calculate the deferred tax assets/liabilities relating to tax losses carried forward was of 25%, and of 26.5% for remaining deferred tax assets and liabilities. It wasn't considered the state surcharge, as it was understood to be unlikely the taxation of temporary differences during the estimated period when the referred rate will be applicable.

The reconciliation between the earnings before tax and the tax recorded for the periods ended at 30 September 2011 and 2010 is as follows:

	2011	2010
Earnings before tax	2,614,079	10,389,497
Income tax rate (25%)	(653,520)	(2,597,374)
Correction to previous year tax	(334,971)	-
Movements in provisions not accepted for tax purposes (note 13)	(912,402)	(1,983,420)
Other taxes related with current income tax	(114,729)	(149,649)
Adjustments to the taxable income	-	2,635,481
Fiscal Benefit (Sifide)	-	569,181
Income taxation recorded in the period	(2,015,622)	(1,525,781)

The adjustments to the taxable income relates, mainly, to dividends received in the period ended at 30 September 2011 (note 16), which do not contribute to the calculation of the taxable profit for the period.

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 2007 (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 September 2011.

8. Other current debtors

At 30 September 2011 and 2010, this caption was made up as follows:

	2011	2010
Trade debtors	11,959,735	10,135,372
State and other public entities	2,894,102	2,296,819
Accumulated impairment losses on accounts receivables (note 13)	(1,930)	(1,930)
	14,851,907	12,430,261

At 30 September 2011 and 2010, the caption 'Other current debtors' included amounts to be received from subsidiary Group companies, relating to interests receivable from subsidiaries on Shareholders' loans, interest on treasury applications and services rendered (note 16).

The caption 'State and other public entities', at 30 September 2011 and 2010, includes the special advanced payment, retentions and taxes to be recovered.

9. Cash and cash equivalents

At 30 September 2011 and 2010, the breakdown of cash and cash equivalents was as follows:

	2011	2010
Cash	10,063	10,034
Bank deposits repayable on demand	57,022	263,310
Treasury applications	100,170,000	1,440,000
Cash and cash equivalents	100,237,085	1,713,344
Bank overdrafts (note 12)	(338,305)	-
	99,898,780	1,713,344

At 30 September 2011 and 2010, the caption 'Treasury applications' had the following breakdown:

	2011	2010
Bank applications	90,000,000	-
Wedo	5,900,000	1,440,000
Be Towering	2,525,000	-
Público	1,290,000	-
PCJ	230,000	-
Lugares Virtuais	225,000	-
	100,170,000	1,440,000

During the period ended at 30 September 2011, the above mentioned treasury applications bear interests at an average rate of 4.13% (1.26% in 2010).

10. Share capital

At 30 September 2011 and 2010, 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:

	2011		2010	
	Number of shares	%	Number of shares	%
Sontel BV	194,063,119	52.99%	183,374,470	50.07%
Atlas Service Belgium	73,249,374	20.00%	73,249,374	20.00%
Shares traded on the Portuguese Stock Exchange ('Free float')	73,004,403	19.93%	70,109,264	19.14%
Banco Comercial Português, S.A. (BCP)	12,500,998	3.41%	12,500,998	3.41%
Own shares	9,045,200	2.47%	8,264,325	2.26%
Santander Asset Management	3,732,774	1.02%	7,408,788	2.02%
Sonae SGPS	650,000	0.18%	838,649	0.23%
Efanor Investimentos, S.G.P.S., S.A.	1,000	0.00%	1,000	0.00%
Sonae Investments BV	–	–	10,500,000	2.87%
	366,246,868	100.00%	366,246,868	100.00%

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

11. Own shares

During the period ended at 30 September 2011, Sonaecom delivered to its employees 1,764,157 own shares under its Medium Term Incentive Plans.
Additionally, during the period ended at 30 September 2011, Sonaecom acquired 1,553,000 shares (at an average price of Euro 1.432), holding at the end of the period 9,045,200 own shares, representative of 2.47% of its share capital, with an average price of Euro 1.503.

12. Loans

At 30 September 2011 and 2010, the caption 'Loans' had the following breakdown:

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

				Amount outstanding	
Issue denomination	Limit	Maturity	Type of reimbursement	2011	2010
'Obrigações Sonaecom SGPS 2005'	150,000,000	Jun-13	Final	150,000,000	150,000,000
'Obrigações Sonaecom SGPS 2011'	100,000,000	Mar-15	Final	100,000,000	–
'Obrigações Sonaecom SGPS 2010'	40,000,000	Mar-15	Final	40,000,000	40,000,000
'Obrigações Sonaecom SGPS 2010'	30,000,000	Feb-13	Final	30,000,000	30,000,000
Costs associated with setting-up the financing	–	–	–	(3,089,220)	(2,057,599)
Interests incurred but not yet due	–	–	–	1,433,594	968,685
				318,344,375	218,911,086
Commercial paper	150,000,000	Jul-12	–	–	119,500,000
Interests incurred but not yet due	–	–	–	–	374,627
				–	119,874,627
				318,344,375	338,785,713

b) Short-term loans and other loans

Issue denomination	Limit	Maturity	Type of reimbursement	Amount outstanding 2011	2010
Commercial paper	150,000,000	Jul-12	–	120,950,000	–
Commercial paper	40,000,000	May-11	–	–	10,000,000
Commercial paper	30,000,000	Apr-12	–	–	6,500,000
Commercial paper	15,000,000	Jun-12	–	–	5,000,000
Interest incurred but not yet due	–	–	–	406,865	86,503
				121,356,865	21,586,503
Tresuary applications	–	–	–	71,893,532	91,768,667
Bank overdrafts	2,500,000	–	–	338,305	–
				193,588,701	113,355,170

Bond Loan

In June 2005, Sonaecom signed a Bond Loan, privately placed, amounting to 150 million euros without guarantees and with a maturity of eight years. The bonds bear interest at floating rate, indexed to Euribor and paid semiannually. This issue was organised and mounted by Millennium BCP Investimento.

In February and March 2010, Sonaecom signed two other Bond Loan, both privately placed, in the amount of 30 and 40 million euros, without guarantees and maturities of 3 and 5 years respectively. Both loans bear interest at floating rate indexed to Euribor, and paid semiannually. The issues were organised if mounted by, respectively, Banco Espirito Santo de Investimento and Caixa - Banco de Investimento. These bond issues were traded on Euronext Lisbon market.

In September 2011, Sonaecom signed a Bond Loan, privately placed, amounting to Euro 100 million without guarantees and with a maturity of three and half years. The bonds bear interest at floating rate indexed to Euribor and paid semiannually. This issue was organized and mounted by BNP Paribas, ING Belgium SA / NV and WestLB AG.

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.

The average interest rate of the bond loans, in the period, was 2.74% (1.99% in 2010).

Commercial Paper

In July 2007, Sonaecom contracted a Commercial Paper Programme 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. According to the original terms, this programme was reduced to the amount of Euro 150 million in July 2010.

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).

Additionally, Sonaecom has three others Commercial Paper Programmes Issuance with subscription guarantee and the following characteristics:

Amount	Hire date	Subscription guarantee	Maturity
Euro 30 million	April 2010	Caja de Ahorros Y Monte de Piedad de Madrid (representative in Portugal) and Banco BPI	one year, possibly renewable
Euro 15 million	June 2010	Caixa Económica Montepio Geral	one year, possibly renewable
Euro 10 million	November 2010	Banco Popular	one year, possibly renewable

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.

Bank credit lines of short-term portion

Sonaecom has also bank credit lines for short term, in the form of current or overdraft account commitments, in the amount of Euro 19 million . These credit lines have maturities up to one year, automatically renewable, except in case of termination by either party, with some periods of notice.

All these loans and bank credit lines bear interest at market rates, indexed to the Euribor for the respective term, and were all contracted in euro.

During the periods ended at 30 September 2011 and 2010, the detail of 'Treasury applications' received from subsidiaries was as follows:

	2011	2010
Optimus	64,030,888	76,383,925
Digitmarket	2,676,107	3,563,634
Sonaetelecom BV	2,510,172	–
Mainroad	1,748,646	1,893,113
Miauger	496,615	1,374,643
Sontária	351,840	–
Be Towering	33,226	5,320,187
Saphety	20,860	310,826
Sonae com SI	10,590	351
Be Artis	8,074	–
Público	6,059	2,781,467
Lugares Virtuais	358	120,125
Sonae Telecom	68	20,098
Wedo Consulting	30	298
	71,893,532	91,768,667

The treasury applications received from Group companies are payable in less than one year and earn interests at market rates. During the periods ended at 30 September 2011 and 2010, the treasury applications earned an average interest rate of 1.09% and 0.43%, respectively.

At 30 September 2011 and 2010, the repayment schedule of medium and long-term loans and of interests (nominal values), for both bonds and commercial paper were as follows (values based on the latest interest rate established for each type of loan):

	N+1	N+2	N+3	N+4	N+5
2011					
Bond loan					
Reimbursements	–	180,000,000	–	140,000,000	–
Interests	11,546,600	9,708,677	6,479,600	3,083,429	–
Commercial paper					
Reimbursements	–	–	–	–	–
Interests	–	–	–	–	–
	11,546,600	189,708,677	6,479,600	143,083,429	–
2010					
Bond loan					
Reimbursements	–	–	180,000,000	–	40,000,000
Interests	4,996,900	5,010,590	3,910,773	1,254,400	707,963
Commercial paper					
Reimbursements	–	119,500,000	–	–	–
Interests	1,489,045	1,247,679	–	–	–
	6,485,945	125,758,269	183,910,773	1,254,400	40,707,963

Although the maturity of commercial paper issuance is six months, the counterparties assumed the placement and the maintenance of those limits for a period of five years. As so, such liabilities are recorded in the medium and long term.

At 30 September 2011 and 2010, the available credit lines of the Company are as follows:

					Maturity
Credit	Limit	Amount outstanding	Amount available	Until 12 months	More than 12 months
2011					
Commercial paper	150,000,000	120,950,000	29,050,000	x	
Commercial paper	30,000,000	-	30,000,000	x	
Commercial paper	15,000,000	-	15,000,000	x	
Commercial paper	10,000,000	-	10,000,000	x	
Bond loan	150,000,000	150,000,000	–		x
Bond loan	100,000,000	100,000,000	–		x
Bond loan	40,000,000	40,000,000	–		x
Bond loan	30,000,000	30,000,000	–		x
Overdraft facilities	16,500,000	-	16,500,000	x	
Authorised overdrafts	2,500,000	-	2,500,000	x	
	544,000,000	440,950,000	103,050,000		
2010					
Commercial paper	150,000,000	119,500,000	30,500,000		x
Commercial paper	40,000,000	10,000,000	30,000,000	x	
Commercial paper	30,000,000	6,500,000	23,500,000	x	
Commercial paper	15,000,000	5,000,000	10,000,000	x	
Bond loan	150,000,000	150,000,000	–		x
Bond loan	40,000,000	40,000,000	–		x
Bond loan	30,000,000	30,000,000	–		x
Overdraft facilities	16,500,000	–	16,500,000	x	
Overdraft facilities	10,000,000	–	10,000,000	x	
Authorised overdrafts	2,500,000	–	2,500,000	x	
	484,000,000	361,000,000	123,000,000		

At 30 September 2011 and 2010, there are no interest rate hedging instruments, so the total gross debt is exposed to changes in the interest rates.

13. Provisions and accumulated impairment losses

The movements in provisions and in accumulated impairment losses in the periods ended at 30 September 2011 and 2010 were as follows:

	Opening balance	Increases	Transfers	Decreases	Closing balance
2011					
Accumulated impairment losses on accounts receivables (Note 8)	1,930	–	–	–	1,930
Accumulated impairment losses on investments in Group companies (Notes 5 and 16)	46,609,902	916,000	29,884,000	–	77,409,902
Accumulates impairment losses on other non-current assets (Notes 6 and 16)	32,188,099	2,320,000	(29,884,000)	–	4,624,099
Provisions for other liabilities and charges	56,487	12,167	-	-	68,654
	78,856,418	3,248,167	-	-	82,104,585
2010					
Accumulated impairment losses on accounts receivables (Note 8)	1,930	–	–	–	1,930
Accumulated impairment losses on investments in Group companies (Notes 5 and 16)	46,609,902	–	–	–	46,609,902
Accumulates impairment losses on other non-current assets (Notes 6 and 16)	24,254,422	7,933,677	–	–	32,188,099
Provisions for other liabilities and charges	41,634	11,139	–	–	52,773
	70,907,888	7,944,816	–	–	78,852,704

The increases in provisions and impairment losses are recorded under the caption 'Provisions and impairment losses' in the profit and loss statement with the exception of the impairment losses in investments in Group companies and other non-current assets, which, due to their nature, are recorded as a financial expense under the caption 'Gains and losses on Group companies' (note 16).

At 30 September 2011 and 2010, the increase of 'Provisions for other liabilities and charges' was registered in the financial statements, under the caption 'Income taxation'.

14. Other creditors

At 30 September 2011 and 2010, this caption was made up as follows:

	2011	2010
State and other public entities	3,320,377	241,289
Other creditors	1,766,381	450,769
	5,086,758	692,058

15. External supplies and services

At 30 September 2011 and 2010, this caption was made up as follows:

	2011	2010
Specialised work	1,313,212	1,460,923
Rents and travelling expenses	76,570	283,392
Travel and accommodation	53,374	109,315
Fees	22,664	192,293
Other external supplies and services	89,900	221,315
	1,555,720	2,267,238

16. Financial results

Net financial results for the periods ended 30 September 2011 and 2010 are made up as follows:

	2011	2010
Gains and losses on investments in Group companies		
Losses related to Group companies (Notes 5, 6 and 13)	(3,236,000)	(7,933,677)
Gains related to Group companies	–	10,500,000
	(3,236,000)	2,566,323
Other financial expenses		
Interest expenses:		
Bank loans	(2,577,749)	(2,120,195)
Other loans	(5,177,460)	(3,538,417)
Overdrafts and others	(99)	(29,076)
	(7,755,308)	(5,687,688)
Foreign currency exchange losses	(503)	(3,253)
Other financial expenses	(223,403)	(110,530)
	(223,906)	(113,783)
	(7,979,214)	(5,801,471)
Other financial income		
Interest income	14,537,015	14,551,219
	14,537,015	14,551,219

At 30 September 2010, the caption 'Gains related to Group companies' relates to the dividends received from Sonae Telecom.

17. Related parties

The most significant balances and transactions with related parties (which are detailed in the appendix) at 30 September 2011 and 2010 were as follows:

					Balances at 30 September 2011
	Accounts receivable	Accounts payable	Treasury applications	Other assets and liabilities	Loans granted / (obtained)
Optimus	315,418	(342,671)	–	262,824	(64,030,888)
Be Artis	3,481,283	(1,709,735)	–	1,059,055	296,183,926
Sonaecom BV	7,489,989	–	–	88,178	19,668,000
Sonaetelecom BV	54,908	–	–	13,899	(1,610,172)
Be Towering	9,028	–	2,525,000	(1,176)	(33,226)
Lugares Virtuais	13,147	(119,111)	225,000	4,732	699,642
Público	58,962	(375)	1,290,000	16,920	(6,059)
Digitmarket	6,942	(1,505)	–	(838)	(2,676,107)
Wedo	15,746	862,634	5,900,000	135,288	(30)
Sonae com SI	191,855	(3,206)	–	62,609	17,289,410
PCJ	55,338	–	230,000	54,015	5,000,000
Sontária	24,736	(525)	–	87,652	2,324,797
Mainroad	10,233	37,025	–	(1,111)	(1,748,646)
Others	41,125	(462,648)	–	(13,091)	(517,543)
	11,768,710	(1,740,117)	10,170,000	1,768,956	270,543,104

					Balances at 30 September 2010
	Accounts receivable	Accounts payable	Treasury applications	Other assets and liabilities	Loans granted / (obtained)
Optimus	565,812	(178,440)	–	3,774,752	(76,383,925)
Be Artis	4,493,909	–	–	986,469	295,485,000
Sonaecom BV	3,730,603	–	–	645,527	209,008,000
Sonaetelecom BV	377,871	–	–	65,567	21,741,000
Be Towering	11,021	–	–	5,614	(5,320,187)
Lugares Virtuais	23,325	–	–	(153,348)	1,409,875
Público	13,823	–	–	57,854	(2,781,467)
Digitmarket	1,709	(1,879)	–	(771)	(3,563,634)
Wedo	93,980	–	1,440,000	570,703	1,489,702
Sonae com SI	181,641	(5,442)	–	59,222	18,709,649
Others	23,558	(119,699)	–	159,929	(3,598,681)
	9,517,252	(305,460)	1,440,000	6,171,518	456,195,332

				Transactions at 30 September 2011
	Sales and services rendered	Supplies and services received	Interest and similar income / (expense)	Supplementary income
Optimus	2,562,925	880,100	(163,315)	–
Be Artis	–	(3,899)	9,839,235	(41)
Be Towering	–	(47,368)	(39,216)	–
Wedo	116,035	–	141,486	–
Sonaecom BV	–	–	2,974,860	–
Sonae SGPS	–	50,000	(11,039)	–
Sonae com SI	–	(40,188)	548,989	–
Others	277,662	131,550	462,888	–
	2,956,622	970,195	13,753,888	(41)

				Transactions at 30 September 2010
	Sales and services rendered	Supplies and services received	Interest and similar income / (expense)	Supplementary income
Optimus	4,288,125	880,365	(161,603)	–
Be Artis	213,242	(54,804)	7,496,033	(42)
Be Towering	48,384	(44,959)	(9,292)	–
Wedo	117,663	(23)	242,500	–
Sonaecom BV	–	–	5,646,573	–
Sonae SGPS	–	–	368,940	–
Others	152,877	288,891	961,485	–
	4,820,291	1,069,470	14,544,636	(42)

All the above transactions were made at market prices.

18. Guarantees provided to third parties

Guarantees provided to third parties at 30 September 2011 and 2010 were as follows:

Beneficiary	Description	2011	2010
Direcção de Contribuições e Impostos (Portuguese tax authorities)	VAT reimbursements	7,360,875	7,360,875
Direcção de Contribuições e Impostos (Portuguese tax authorities)	Tax audit 2005	754,368	754,368
		8,115,243	8,115,243

In addition to these guarantees, there were set up two sureties for the current fiscal processes. The Sonae SGPS constituted a Sonaecom SGPS surety to the amount of Euro 2,844,270 and Sonaecom SGPS constituted a Optimus surety for the amount of Euro 9,264,267.

At 30 September 2011 and 2010, the Company´s Board of Directors believes that the decision of the court proceedings and ongoing tax assessments in progress will not have significant impacts on the financial statements.

19. Earnings per share

Earnings per share, basic and diluted, are calculated by dividing the net income of the period (Euro 598,457 in 2011 and Euro 8,863,716 in 2010) by the average number of shares outstanding during the periods ended at 30 September 2011 and 2010, net of own shares (357,150,209 in 2011 and Euro 358,162,367 in 2010).

20. Medium Term Incentive Plans

In June 2000, the Company 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 Company.

The Sonaecom plans outstanding at 30 September 2011 can be summarised as follows:

		Vesting period		30 September 2011	
	Share price at award date*	Award date	Vesting date	Aggregate number of participations	Number of shares
Sonaecom shares					
2007 Plan	2.447	10 Mar 08	09 Mar 11	-	-
2008 Plan	1.117	10 Mar 09	09 Mar 12	4	325,098
2009 Plan	1.685	10 Mar 10	08 Mar 13	4	232,349
2010 Plan	1.399	10 Mar 11	10 Mar 14	3	241,773
Sonae SGPS shares					
2007 Plan	1.16	10 Mar 08	09 Mar 11	-	-
2008 Plan	0.526	10 Mar 09	09 Mar 12	4	405,776
2009 Plan	0.761	10 Mar 10	08 Mar 13	4	314,954
2010 Plan	0.811	10-Mar-11	10-Mar-14	3	260,365

*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.

During the period ended at 30 September 2011, 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 December 2010:				
Unvested	55	867,246	9	772,873
Total	55	867,246	9	772,873
Movements in year:				
Awarded	2	186,819	2	214,846
Vested	(10)	(154,625)	(3)	(164,685)
Cancelled / lapsed*	(36)	(100,220)	3	158,061
Outstanding at 30 September 2011:				
Unvested	11	799,220	11	981,095
Total	11	799,220	11	981,095

* The adjustments are made for dividends paid and for share capital changes and others adjustments, namely, resulting from a change in the vesting of the MTIP, which may now be made through the purchase of shares with a discount.

For Sonaecom's share plans, the responsibility was calculated taking into consideration the share price at the corresponding award date. The total responsibility for the mentioned plans is Euro 655,146 and was recorded under the caption '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, with the exception of the plan attributed in 2011 which was hedged in July 2011, and which responsibility is calculated based on the share price at balance sheet date. The responsibility for these plans is recorded under the captions 'Other current liabilities' and 'Other non-current liabilities'.

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 period ended at 30 September 2011, were as follows:

	Value
Costs recognised in previous years	4,670,298
Costs recognised in the period	473,154
Costs of plans vested in previous years	(3,584,469)
Costs of plans vested in the period	(478,175)
	1,080,808
Recorded in other current liabilities	189,270
Recorded in other non current liabilities	236,392
Recorded in reserves	655,146

These financial statements were approved by the Board of Directors on 2 November 2011.

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

Appendix

At 30 September 2011, the related parties of Sonaecom, S.G.P.S. are as follows:

Key management personnel - Sonaecom	
Ana Cristina Dinis da Silva Fanha Vicente Soares	Gervais Gilles Pellissier
Ana Paula Garrido Pina Marques	Jean-François René Pontal
Ângelo Gabriel Ribeirinho dos Santos Paupério	José Manuel Pinto Correia
António Bernardo Aranha da Gama Lobo Xavier	Manuel Antonio Neto Portugal Ramalho Eanes
António de Sampaio e Mello	Maria Cláudia Teixeira de Azevedo
David Charles Denholm Hobley	Miguel Nuno Santos Almeida
David Graham Shenton Bain	Nuno Manuel Moniz Trigoso Jordão
David Pedro Oliveira Parente Ferreira Alves	Paulo Joaquim dos Santos Plácido
Duarte Paulo Teixeira de Azevedo	Pedro Rafael de Sousa Nunes Pedro
Franck Emmanuel Dangeard	Rui José Silva Goncalves Paiva

Key management personnel - Sonae SGPS	
Álvaro Carmona e Costa Portela	Luís Filipe Palmeira Lampreia
Álvaro Cuervo Garcia	Michel Marie Bon
Belmiro Mendes de Azevedo	Nuno Miguel Teixeira Azevedo

Sonaecom Group Companies	
Be Artis – Concepção ,Construção e Gestão de Redes de Comunicações, S.A.	Sonae Telecom, S.G.P.S., S.A. Sonaetelecom BV
Be Towering – Gestão de Torres de Telecomunicações, S.A.	Sonaecom, S.G.P.S., S.A.
Cape Technologies Limited	Sontária - Empreendimentos Imobiliários, S.A.
Digitmarket – Sistemas de Informação, S.A.	Tecnológica Telecomunicações LTDA.
Lugares Virtuais, S.A.	Unipress – Centro Gráfico, Lda
M3G – Edições Digitais, S.A.	WeDo Consulting – Sistemas de Informação, S.A.
Mainroad – Serviços em Tecnologias de Informação, S.A.	WeDo Poland Sp. Z.o.o.
Miauger – Organização e Gestão de Leilões Electrónicos., S.A.	WeDo Technologies Americas, Inc.
Optimus – Comunicações, S.A.	WeDo Technologies Egypt LLC
PCJ - Público, Comunicação e Jornalismo, S.A.	WeDo Technologies Mexico, S de R.L.
Per-Mar – Sociedade de Construções, S.A.	WeDo Technologies BV
Praesidium Services 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 Sonora, S.A.	WeDo Technologies BV – Sucursal Malaysia
Sonae com – Sistemas Informação, S.G.P.S., S.A.	WeDo Technologies Chile SpA.
Sonaecom – Sistemas de Información España, S.L.	We Do Technologies Panamá S.A.
Sonaecom BV	We Do Technologies Singapore PTE. LTD.

Sonae/Efanor Group Companies	
3DO Holding GmbH	Avenida M – 40, S.A.
3DO Shopping Centre GmbH	Azulino Imobiliária, S.A.
3shoppings – Holding,SGPS, S.A.	BA Business Angels, SGPS, SA
8ª Avenida Centro Comercial, SA	BA Capital, SGPS, SA
ADD Avaliações Engenharia de Avaliações e Perícias Ltda	BB Food Service, S.A.
ADDmakler Administração e Corretagem de Seguros Ltda	Beralands BV
ADDmakler Administradora, Corretora de Seguros Partic. Ltda	Bertimóvel – Sociedade Imobiliária, S.A.
Adlands B.V.	BHW Beeskow Holzwerkstoffe
Aegean Park, S.A.	Bloco Q – Sociedade Imobiliária, S.A.
Agepan Eiweiler Management GmbH	Bloco W – Sociedade Imobiliária, S.A.
Agepan Flooring Products, S.A.RL	Boavista Shopping Centre BV
Agloma Investimentos, Sgps, S.A.	BOM MOMENTO – Comércio Retalhista, SA
Agloma-Soc.Ind.Madeiras e Aglom., S.A.	Canasta – Empreendimentos Imobiliários, S.A.
Águas Furtadas Sociedade Agrícola, SA	Carnes do Continente – Ind.Distr.Carnes, S.A.
Airone – Shopping Center, Srl	Casa Agrícola de Ambrães, S.A.
ALBCC Albufeirashopping C.Comercial SA	Casa da Ribeira – Hotelaria e Turismo, S.A.
ALEXA Administration GmbH	Cascaishopping – Centro Comercial, S.A.
ALEXA Asset GmbH & Co KG	Cascaishopping Holding I, SGPS, S.A.
ALEXA Holding GmbH	CCCB Caldas da Rainha - Centro Comercial,SA
ALEXA Shopping Centre GmbH	Centro Colombo – Centro Comercial, S.A.
Algarveshopping – Centro Comercial, S.A.	Centro Residencial da Maia,Urban., S.A.
Alpêssego – Soc. Agrícola, S.A	Centro Vasco da Gama – Centro Comercial, S.A.
Andar – Sociedade Imobiliária, S.A.	Change, SGPS, S.A.
Aqualuz – Turismo e Lazer, Lda	Chão Verde – Soc.Gestora Imobiliária, S.A.
Arat inmebles, S.A.	Cia.de Industrias e Negócios, S.A.
ARP Alverca Retail Park,SA	Cinclus Imobiliária, S.A.
Arrábidashopping – Centro Comercial, S.A.	Citorres – Sociedade Imobiliária, S.A.
Aserraderos de Cuellar, S.A.	Coimbrashopping – Centro Comercial, S.A.
Atlantic Ferries – Tráf.Loc,Flu.e Marít, S.A.	Colombo Towers Holding, BV
Avenida M – 40 B.V.	Contacto Concessões, SGPS, S.A.

Sonae/Efanor Group Companies	
Contibomba – Comérc.Distr.Combustiveis, S.A.	Glunz AG
Contimobe – Imobil.Castelo Paiva, S.A.	Glunz Service GmbH
Continente Hipermercados, S.A.	Glunz UK Holdings Ltd
Contry Club da Maia-Imobiliaria, S.A.	Glunz Uka Gmbh
Cooper Gay Swett & Crawford Lt	GMET, ACE
Craiova Mall BV	Golf Time – Golfe e Invest. Turísticos, S.A.
Cronosaúde – Gestão Hospitalar, S.A.	Guimarãeshopping – Centro Comercial, S.A.
Cumulativa – Sociedade Imobiliária, S.A.	Harvey Dos Iberica, S.L.
Darbo S.A.S	Herco Consultoria de Riscos e Corretora de Seguros Ltda
Deutsche Industrieholz GmbH	Iberian Assets, S.A.
Discovery Sports, SA	Igimo – Sociedade Imobiliária, S.A.
Dortmund Tower GmbH	Iginha – Sociedade Imobiliária, S.A.
Dos Mares – Shopping Centre B.V.	Imoareia – Invest. Turísticos, SGPS, S.A.
Dos Mares – Shopping Centre, S.A.	Imobiliária da Cacela, S.A.
Ecociclo – Energia e Ambiente, S.A.	Imoclub – Serviços Imobilários, S.A.
Ecociclo II	Imoconti – Soc.Imobiliária, S.A.
Edições Book.it, S.A.	Imodivor – Sociedade Imobiliária, S.A.
Edificios Saudáveis Consultores, S.A.	Imoestrutura – Soc.Imobiliária, S.A.
Efanor Investimentos, SGPS, S.A.	Imoferro – Soc.Imobiliária, S.A.
Efanor Serviços de Apoio à Gestão, S.A.	Imohotel – Emp.Turist.Imobiliários, S.A.
El Rosal Shopping, S.A.	Imomuro – Sociedade Imobiliária, S.A.
Emfísico Boavista	Imopenínsula – Sociedade Imobiliária, S.A.
Empreend.Imob.Quinta da Azenha, S.A.	Imoplamac Gestão de Imóveis, S.A.
Equador & Mendes, Lda	Imoponte – Soc.Imobiliaria, S.A.
Espimaia – Sociedade Imobiliária, S.A.	Imoresort – Sociedade Imobiliária, S.A.
Estação Viana – Centro Comercial, S.A.	Imoresultado – Soc.Imobiliaria, S.A.
Estêvão Neves – Hipermercados Madeira, S.A.	Imosedas – Imobiliária e Seviços, S.A.
Euroresinas – Indústrias Quimicas, S.A.	Imosistema – Sociedade Imobiliária, S.A.
Farmácia Selecção, S.A.	Imosonae II
Fashion Division Canárias, SL	Impaper Europe GmbH & Co. KG
Fashion Division, S.A.	Implantação – Imobiliária, S.A.
Fontana Corretora de Seguros Ltda	Infofield – Informática, S.A.
Fozimo – Sociedade Imobiliária, S.A.	Infratroia, EM
Fozmassimo – Sociedade Imobiliária, S.A.	Inparsa – Gestão Galeria Comercial, S.A.
Freccia Rossa – Shopping Centre S.r.l.	Inparvi SGPS, S.A.
Frieengineering International Ltda	Integrum - Energia, SA
Fundo de Invest. Imobiliário Imosede	Integrum Colombo Energia, S.A.
Fundo I.I. Parque Dom Pedro Shop.Center	Integrum, SA
Fundo Invest.Imob.Shopp. Parque D.Pedro	Interlog – SGPS, S.A.
Gaiashopping I – Centro Comercial, S.A.	Investalentejo, SGPS, S.A.
Gaiashopping II – Centro Comercial, S.A.	Invsaude – Gestão Hospitalar, S.A.
GHP Gmbh	Ioannina Development of Shopping Centres, SA
Gli Orsi Shopping Centre 1 Srl	Isoroy SAS

Sonae/Efanor Group Companies	
La Farga – Shopping Center, SL	Norscut – Concessionária de Scut Interior Norte, S.A.
Laminate Park GmbH Co. KG	Norteshopping – Centro Comercial, S.A.
Larim Corretora de Resseguros Ltda	Norteshopping Retail and Leisure Centre, BV
Larissa Develop. Of Shopping Centers, S.A.	Nova Equador Internacional,Ag.Viag.T, Ld
Lazam – MDS Corretora e Administradora de Seguros, S.A.	Nova Equador P.C.O. e Eventos
LCC LeiriaShopping Centro Comercial SA	Operscut – Operação e Manutenção de Auto-estradas, S.A.
Le Terrazze - Shopping Centre 1 Srl	OSB Deustchland Gmbh
Libra Serviços, Lda.	PantheonPlaza BV
Lidergraf – Artes Gráficas, Lda.	Paracentro – Gest.de Galerias Com., S.A.
Loop5 Shopping Centre GmbH	Pareuro, BV
Loureshopping – Centro Comercial, S.A.	Park Avenue Develop. of Shop. Centers S.A.
Luz del Tajo – Centro Comercial S.A.	Parque Atlântico Shopping – C.C., S.A.
Luz del Tajo B.V.	Parque D. Pedro 1 B.V.
Madeirashopping – Centro Comercial, S.A.	Parque D. Pedro 2 B.V.
Maiashopping – Centro Comercial, S.A.	Parque de Famalicão – Empr. Imob., S.A.
Maiequipa – Gestão Florestal, S.A.	Parque Principado SL
Marcas do Mundo – Viag. e Turismo Unip, Lda	Pátio Boavista Shopping Ltda.
Marcas MC, ZRT	Pátio Campinas Shopping Ltda
Marimo – Exploração Hoteleira Imobiliária	Pátio Goiânia Shopping Ltda
Marina de Tróia S.A.	Pátio Londrina Empreend. e Particip. Ltda
Marinamagic – Expl.Cent.Lúdicos Marít, Lda	Pátio Penha Shopping Ltda.
Marmagno – Expl.Hoteleira Imob., S.A.	Pátio São Bernardo Shopping Ltda
Martimope – Sociedade Imobiliária, S.A.	Pátio Sertório Shopping Ltda
Marvero – Expl.Hoteleira Imob., S.A.	Pátio Uberlândia Shopping Ltda
MDS Affinity - Sociedade de Mediação, Lda	Peixes do Continente – Ind.Dist.Peixes, S.A.
MDS Consultores, S.A.	Pharmaconcept – Actividades em Saúde, S.A.
MDS Corretor de Seguros, S.A.	PHARMACONTINENTE – Saúde e Higiene, S.A.
MDS SGPS, SA	PJP – Equipamento de Refrigeração, Lda
MDSAUTO - Mediação de Seguros, SA	Plaza Éboli B.V.
Megantic BV	Plaza Éboli – Centro Comercial S.A.
Miral Administração e Corretagem de Seguros Ltda	Plaza Mayor Holding, SGPS, SA
MJLF – Empreendimentos Imobiliários, S.A.	Plaza Mayor Parque de Ócio BV
Mlearning - Mds Knowledge Centre, Unip, Lda	Plaza Mayor Parque de Ocio, SA
Modalfa – Comércio e Serviços, S.A.	Plaza Mayor Shopping BV
MODALLOOP – Vestuário e Calçado, S.A.	Plaza Mayor Shopping, SA
Modelo – Dist.de Mat. de Construção, S.A.	Ploi Mall BV
Modelo Continente Hipermercados, S.A.	Plysorol, BV
Modelo Continente Intenational Trade, SA	Poliface North America
Modelo Hiper Imobiliária, S.A.	POLINSUR – Mediação de seguros, LDA
Modelo.com – Vendas p/Correspond., S.A.	PORTCC - Portimãoshopping Centro Comercial, SA
Modus Faciendi - Gestão e Serviços, S.A.	Porturbe – Edificios e Urbanizações, S.A.
Movelpartes – Comp.para Ind.Mobiliária, S.A.	Praedium – Serviços, S.A.
Movimento Viagens – Viag. e Turismo U.Lda	Praedium II – Imobiliária, S.A.
Mundo Vip – Operadores Turisticos, S.A.	Praedium SGPS, S.A.
Munster Arkaden, BV	Predicomercial – Promoção Imobiliária, S.A.

Sonae/Efanor Group Companies	
Prédios Privados Imobiliária, S.A.	River Plaza, BV
Predisedas – Predial das Sedas, S.A.	Rochester Real Estate, Limited
Pridelease Investments, Ltd	RSI Corretora de Seguros Ltda
Proj. Sierra Germany 4 (four) – Sh.C.GmbH	S.C. Microcom Doi Srl
Proj.Sierra Germany 2 (two) – Sh.C.GmbH	Saúde Atlântica – Gestão Hospitalar, S.A.
Proj.Sierra Germany 3 (three) – Sh.C.GmbH	SC – Consultadoria, S.A.
Proj.Sierra Italy 1 – Shop.Centre Srl	SC – Eng. e promoção imobiliária,SGPS, S.A.
Proj.Sierra Italy 2 – Dev. Of Sh.C.Srl	SC Aegean B.V.
Proj.Sierra Italy 3 – Shop. Centre Srl	SC Assets SGPS, S.A.
Proj.Sierra Italy 5 – Dev. Of Sh.C.Srl	SC Finance BV
Proj.Sierra Portugal VIII – C.Comerc., S.A.	SC Mediterraneum Cosmos B.V.
Project 4, Srl	SC, SGPS, SA
Project SC 1 BV	SCS Beheer, BV
Project SC 2 BV	Selfrio – Engenharia do Frio, S.A.
Project Sierra 2 B.V.	Selfrio,SGPS, S.A.
Project Sierra 6 BV	Selifa – Empreendimentos Imobiliários, S.A.
Project Sierra 7 BV	Sempre à Mão – Sociedade Imobiliária, S.A.
Project Sierra 8 BV	Sempre a Postos – Produtos Alimentares e Utilidades, Lda
Project Sierra 9 BV	SERENITAS-SOC.MEDIAÇÃO SEG.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 Four, SA	Sete e Meio – Invest. Consultadoria, S.A.
Project Sierra Germany Shop. Center 1 BV	Sete e Meio Herdades – Inv. Agr. e Tur., S.A.
Project Sierra Germany Shop. Center 2 BV	Shopping Centre Parque Principado B.V.
Project Sierra Spain 1 B.V.	Shopping Penha B.V.
Project Sierra Spain 2 – Centro Comer. S.A.	Siaf – Soc.Iniciat.Aprov.Florestais - Energia, S.A.
Project Sierra Spain 2 B.V.	SIAL Participações Ltda
Project Sierra Spain 3 – Centro Comer. S.A.	Sierra Asset Management – Gest. Activos, S.A.
Project Sierra Spain 3 B.V.	Sierra Berlin Holding BV
Project Sierra Spain 6 B.V.	Sierra Central S.A.S
Project Sierra Spain 7 – Centro Comer. S.A.	Sierra Charagionis Develop.Sh. Centre S.A.
Project Sierra Spain 7 B.V.	Sierra Charagionis Propert.Management S.A.
Project Sierra Three Srl	Sierra Corporate Services – Ap.Gestão, S.A.
Project Sierra Two Srl	Sierra Corporate Services Holland, BV
Promessa Sociedade Imobiliária, S.A.	Sierra Develop.Iberia 1, Prom.Imob., S.A.
Prosa – Produtos e serviços agrícolas, S.A.	Sierra Development of Shopping Centres Greece, S.A.
Puravida – Viagens e Turismo, S.A.	Sierra Developments – Serv. Prom.Imob., S.A.
Quorum Corretora de seguros LT	Sierra Developments Germany GmbH
Racionaliz. y Manufact.Florestales, S.A.	Sierra Developments Holding B.V.
RASO - Viagens e Turismo, S.A.	Sierra Developments Italy S.r.l.
RASO, SGPS, S.A.	Sierra Developments Romania, Srl
Rio Sul – Centro Comercial, S.A.	Sierra Developments Spain – Prom.C.Com.SL
River Plaza Mall, Srl	Sierra Developments, SGPS, S.A.

Sonae/Efanor Group Companies	
Sierra Enplanta Ltda	Sonae Industria de Revestimentos, S.A.
Sierra European R.R.E. Assets Hold. B.V.	Sonae Indústria Manag. Serv, SA
Sierra GP Limited	Sonae Investimentos, SGPS, SA
Sierra Investimentos Brasil Ltda	Sonae Investments, BV
Sierra Investments (Holland) 1 B.V.	Sonae Novobord (PTY) Ltd
Sierra Investments (Holland) 2 B.V.	Sonae RE, S.A.
Sierra Investments Holding B.V.	Sonae Retalho Espana – Servicios Gen., S.A.
Sierra Investments SGPS, S.A.	Sonae SGPS, S.A.
Sierra Italy Holding B.V.	Sonae Sierra Brasil S.A.
Sierra Management Germany GmbH	Sonae Sierra Brazil B.V.
Sierra Management Greece S.A.	Sonae Sierra, SGPS, S.A.
Sierra Management Italy S.r.l.	Sonae Tafibra Benelux, BV
Sierra Management Portugal – Gest. CC, S.A.	Sonae Turismo – SGPS, S.A.
Sierra Management Romania, Srl	Sonae UK, Ltd.
Sierra Management Spain – Gestión C.Com.S.A.	Sonaegest – Soc.Gest.Fundos Investimentos
Sierra Management, SGPS, S.A.	SONAEMC - Modelo Continente, SGPS, S.A.
SII – Soberana Invest. Imobiliários, S.A.	Sondis Imobiliária, S.A.
SIRS – Sociedade Independente de Radiodifusão Sonora, S.A.	Sontel BV
Sistavac – Sist.Aquecimento,V.Ar C., S.A.	Sontur BV
SKK – Central de Distr., S.A.	Sonvecap BV
SKK SRL	Sopair, S.A.
SKKFOR – Ser. For. e Desen. de Recursos	Sotáqua – Soc. de Empreendimentos Turist
SMP – Serv. de Manutenção Planeamento	Spanboard Products, Ltd
Sociedade de Construções do Chile, S.A.	SPF – Sierra Portugal Real Estate, Sarl
Société de Tranchage Isoroy S.A.S.	Spinarq - Engenharia, Energia e Ambiente, SA
Socijofra – Sociedade Imobiliária, S.A.	Spinveste – Gestão Imobiliária SGII, S.A.
Sociloures – Soc.Imobiliária, S.A.	Spinveste – Promoção Imobiliária, S.A.
Soconstrução BV	Sport Retalho España – Servicios Gen., S.A.
Sodesa, S.A.	Sport Zone – Comércio Art.Desporto, S.A.
Soflorin, BV	Sport Zone – Turquia
Soira – Soc.Imobiliária de Ramalde, S.A.	Sport Zone Canárias, SL
Solinca - Eventos e Catering, SA	Sport Zone España-Com.Art.de Deporte,SA
Solinca - Health and Fitness, SA	Spred, SGPS, SA
Solinca – Investimentos Turísticos, S.A.	Stinnes Holz GmbH
Solinfitness – Club Malaga, S.L.	Tableros Tradema, S.L.
Solingen Shopping Center GmbH	Tafiber,Tableros de Fibras Ibéricas, SL
Soltroia – Imob.de Urb.Turismo de Tróia, S.A.	Tafibra Polska Sp.z.o.o.
Somit Imobiliária	Tafibra South Africa
SONAE - Specialized Retail, SGPS, SA	Tafibra Suisse, SA
Sonae Capital Brasil, Lda	Tafisa – Tableros de Fibras, S.A.
Sonae Capital,SGPS, S.A.	Tafisa Canadá Societé en Commandite
Sonae Center II S.A.	Tafisa France, S.A.
Sonae Center Serviços, S.A.	Tafisa UK, Ltd
Sonae Ind., Prod. e Com.Deriv.Madeira, S.A.	Taiber,Tableros Aglomerados Ibéricos, SL
Sonae Indústria – SGPS, S.A.	Tarkett Agepan Laminate Flooring SCS

Sonae/Efanor Group Companies	
Tecmasa Reciclados de Andalucia, SL	Valor N, S.A.
Terra Nossa Corretora de Seguros Ltda	Vastgoed One – Sociedade Imobiliária, S.A.
Têxtil do Marco, S.A.	Vastgoed Sun – Sociedade Imobiliária, S.A.
Tlantic Portugal – Sist. de Informação, S.A.	Venda Aluga – Sociedade Imobiliária, S.A.
Tlantic Sistemas de Informação Ltdª	Via Catarina – Centro Comercial, S.A.
Todos os Dias – Com.Ret.Expl.C.Comer., S.A.	Viajens y Turismo de Geotur España, S.L.
Tool Gmbh	Vistas do Freixo, SA
Torre Ocidente Imobiliária, S.A.	Vuelta Omega, S.L.
Torre São Gabriel – Imobiliária, S.A.	Weiterstadt Shopping BV
TP – Sociedade Térmica, S.A.	World Trade Center Porto, S.A.
Troia Market, S.A.	Worten – Equipamento para o Lar, S.A.
Tróia Natura, S.A.	Worten Canárias, SL
Troiaresort – Investimentos Turísticos, S.A.	Worten España, S.A.
Troiaverde – Expl.Hoteleira Imob., S.A.	ZIPPY - Comércio e Distribuição, SA
Tulipamar – Expl.Hoteleira Imob., S.A.	ZIPPY - Comercio y Distribución, S.A.
Unishopping Administradora Ltda.	Zippy Turquia
Unishopping Consultoria Imob. Ltda.	Zubiarte Inversiones Inmobiliarias, S.A.
Urbisedas – Imobiliária das Sedas, S.A.	ZYEVOLUTION-Invest.Desenv.,SA.
Valecenter Srl	

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

SAFE HARBOUR

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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.

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

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