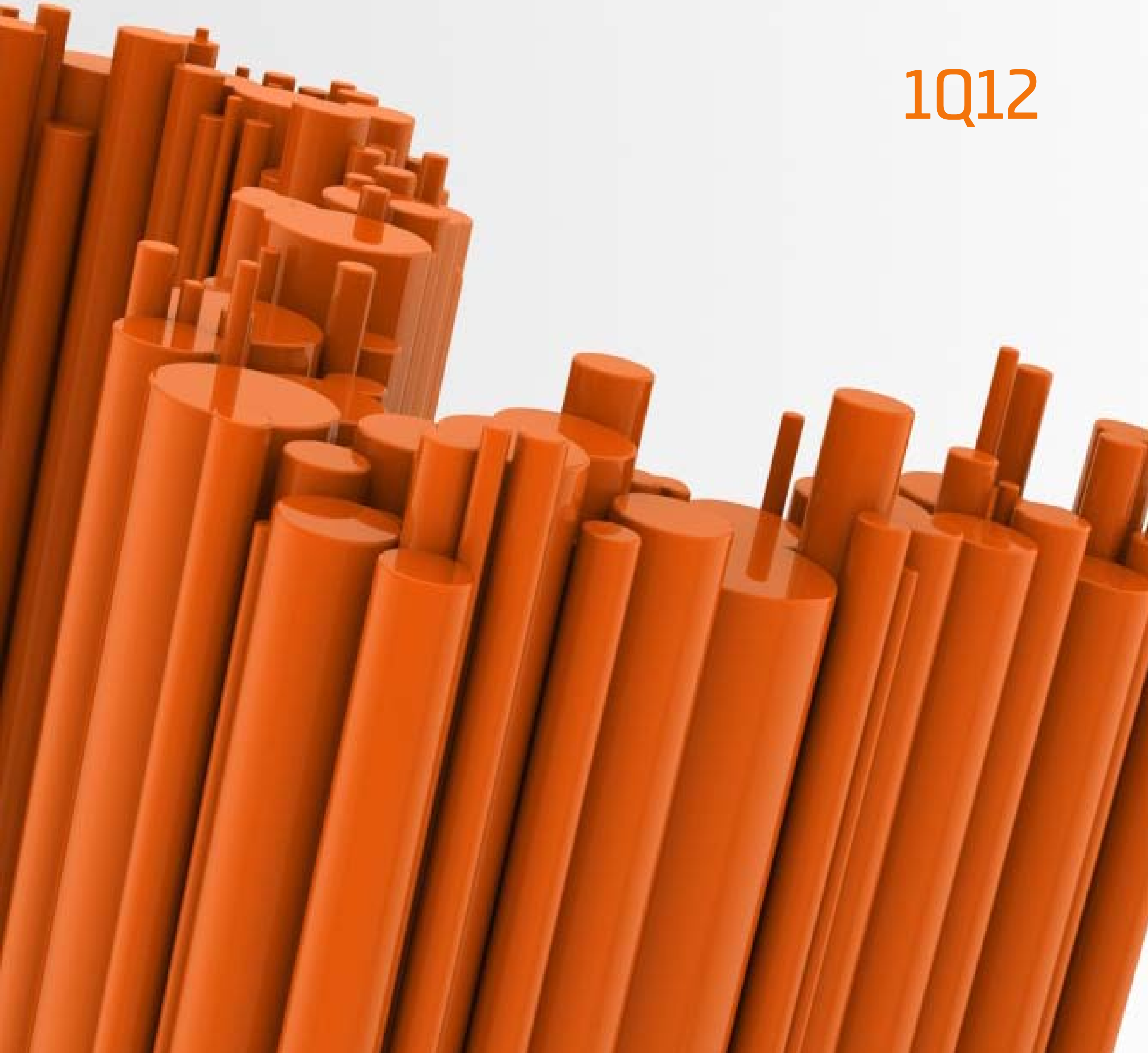
SONAECOM

Management Report and Accounts

1Q12



Notes:

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.

During 1Q12, in line with best practice in the telecoms sector, the Group changed its accounting criteria for costs related to customers' loyalty contracts. To date, these were recorded as an expense in the year they occurred. From 1 January 2012, the costs incurred for customers' loyalty contracts are capitalised and amortised over the period of their contracts. This is because it is now possible to apply a reliable cost allocation to the respective contracts, so fulfilling the criteria for capitalisation required by IAS 38. Accordingly, the 2011 results were restated to reflect this change.

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Highlights

- Consolidated turnover of 202.5 million euros
- EBITDA of 60.3 million euros
- EBITDA-operating capex of 34.7 million euros
- Net results totals 17.0 million euros
- FCF reaches 10.3 million euros (excluding spectrum cash outflow, securitization and a VAT payment to be recovered)
- Net debt to EBITDA ratio of 1.5x
- Optimus launches its 4G commercial offer
- WeDo boosts expansion in the USA through the acquisition of Connectiv Solutions

"In the first quarter of 2012, Sonaecom's performance continues to demonstrate our resilience and robustness. In particular, we would like to highlight the growth in profitability of all our businesses, with Optimus mobile achieving an EBITDA margin of 42.1%."

"... following the successful spectrum acquisition at the end of 2011, Optimus achieves yet another milestone in mobile data leadership with the announcement, in March, of its 4G mobile offer...."

"...these results confirm our sound strategy as well as the execution capacity of Sonaecom's outstanding team..."

Ângelo Paupério, CEO of Sonaecom

Our business

At Sonaecom, the top line performance, combined with efficiencies achieved through Optimus, enabled us to achieve an EBITDA growth of 8.8%[1] y.o.y., to 60.3 million euros. Following our consistent performance, cash flow generation, excluding extraordinary effects, amounted to 10.3 million euros, representing an increase of 19.8% when compared to the 8.6 million euros we achieved in the 1Q11. Also, net results rose 24.0% against last year to 17.0 million euros.

At Optimus, the focus is now on 4G services. In 1Q12, Optimus already launched its first 4G offer. During this quarter, driven by Optimus ongoing optimisation plan, our operating profitability sustained its upward trend, growing 5.6% y.o.y, to 55.4 million euros, having achieved a mobile EBITDA margin growth of 4.0pp, to 42.1%.

At Software and Information Systems (SSI) we continued to expand our international footprint. By April 2012, with the acquisition of *Connectiv Solutions*, WeDo Technologies ensured a solid basis in the USA with a Software as a Service (SaaS) USA operation, reinforcing its positioning in the business assurance telecoms market. Presently, WeDo Technologies has more than 150 clients in 80 countries and during the 1Q12 its international revenues represented 70.0% of its turnover.

Looking Forward

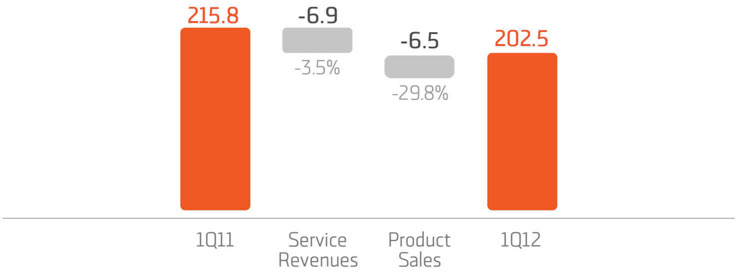
With the ideal combination of spectrum supported over its leading edge network, Optimus will remain focused on deploying its 4G network with the emphasis on fully exploiting upcoming opportunities, enabling us to better pursue our goal of leading in mobile data.
At SSI, WeDo Technologies will focus on the USA market, one of the most important globally, now with a relevant local presence already inside some of the major national telecom players through its SaaS portfolio.
Throughout 2012, despite the clear impacts of consumer spending behaviour, we expect to continue to reinforce our competitive position.

[1] Excluding the effect of the recent change, fully explained in the previous notes, EBITDA would increase 9.9% y.o.y., to 54.9 million euros.

1. Consolidated results

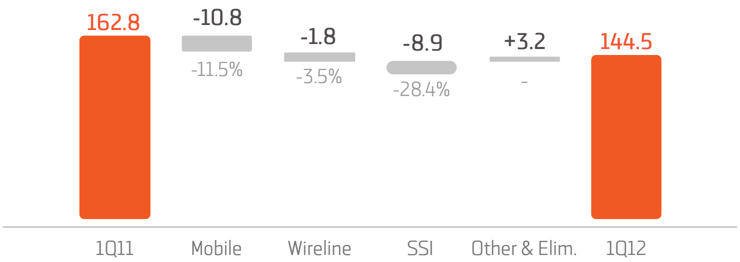
Turnover

Consolidated turnover in 1Q12 stood at 202.5 million euros, 6.2% below 1Q11, driven by a decrease of 3.5% in service revenues and a decrease of 29.8% in product sales.
The negative evolution of service revenues was driven by Optimus mobile operator revenues, impacted by regulated tariffs (MTR's and Roaming in), by mobile customer revenues, impacted by Portuguese austerity environment, and by wireline customer revenues, consequence of our strategic option in the residential business. Not totally off-set by the higher level of Optimus equipment sales, the negative evolution of product sales is explained by SSI division, due to Bizdirect, consequence of the end of Portuguese Government e- initiatives programme.



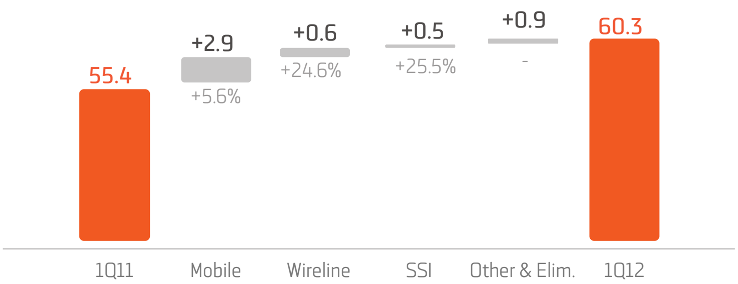
Operating costs

Operating costs decreased 11.3% between 1Q11 and 1Q12, to 144.5 million euros.
The optimisation plan carried out over the past few years is driving the creation of a leaner organisation with Optimus's ongoing efficiency measures delivering positive results across all its areas.
Between 1Q11 and 1Q12, operating costs as a percentage of turnover decreased 4.1pp.



EBITDA

The consolidated EBITDA increased 8.8% to 60.3 million euros, more than offsetting the consolidated top line performance. Importantly, all the business divisions evolved positively between the two periods.
Excluding the effect of the recent change in the accounting treatment of loyalty contracts acquisition costs, EBITDA would reach 54.9 million euros, increasing 9.9% when compared with the 1Q11.
The consolidated EBITDA margin increased from 25.7% to 29.8%. It should be emphasised that the 1Q12 mobile EBITDA margin stood at 42.1%.

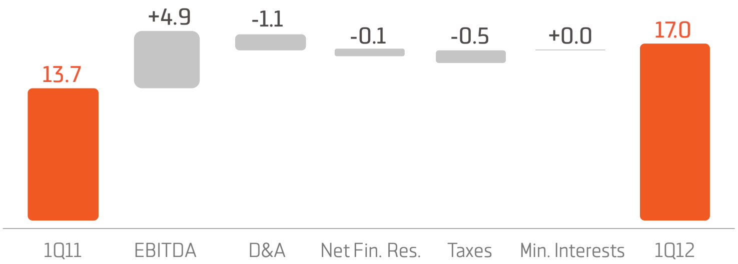


Net profit

Net results group share reached 17.0 million euros, growing 24.3% when compared to 1Q11, driven by the improved EBITDA performance.

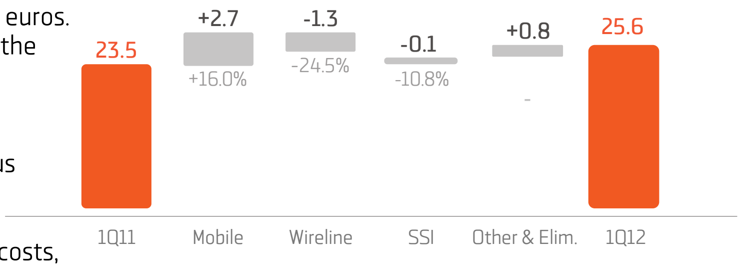
Net financial results remained stable between the two periods despite the higher average cost of debt in the 1Q12.

The tax line in 1Q12 showed a cost of 4.3 million euros, against a cost of 3.8 million euros in 1Q11, mostly due to a higher level of EBT.



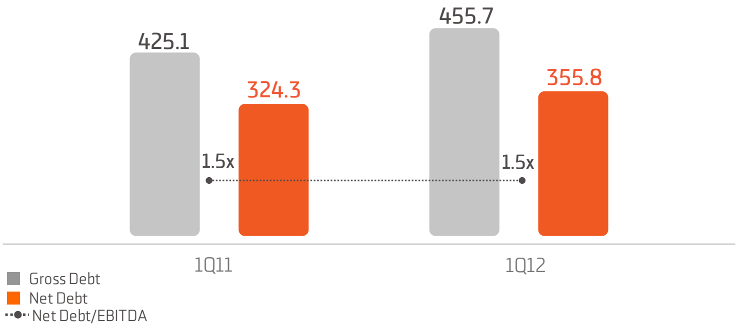
Operating capex

During the 1Q12, operating Capex reached 25.6 million euros. The level of investment grew 8.7% y.o.y., impacted by the mobile business. During 1Q12, Optimus continued to implement solutions enabling the reduction of mobile backhaul costs while decreasing dependency on third parties infrastructure. Also, during this quarter, Optimus launched its 4G network deployment.
Excluding the effect of the recent change in the accounting treatment of loyalty contracts acquisition costs, operating Capex would reach 20.2 million euros, increasing 11.6% when compared with the 1Q11.
As a result of our revenues and Capex performance, operating Capex as a percentage of turnover increased between 1Q11 and 1Q12, from 10.9% to 12.6%.



Capital structure

Consolidated net debt reached 355.8 million euros, which compares with 269.9 million euros at the end of 2011, while increasing 9.7% against 1Q11. Driven by an improved EBITDA performance, which totally offsets the higher net debt level, the net debt to EBITDA ratio stood at 1.5x in 1Q12.
In the 1Q12, total credit facilities amounted to 544 million euros while the all-in average cost of debt reached 3.4%.



Free cash flow (FCF)

FCF stood at negative 86.5 million euros in 1Q12, impacted by (i) the outflow of 5 million euros related with the securitisation operation, (ii) the 83 million euros outflow, occurred during January, related with the spectrum acquisition, and (iii) an extraordinary effect, in the 1Q12, driven by an intra group transaction within Sonaecom, which has caused a VAT payment of approximately 8.8 million euros, that we expect to recover in the second quarter, thus, not expected to generate any impact in 2012 FCF.
Excluding these effects, 1Q12 FCF would amount to 10.3 million euros, representing an increase of 19.8% when compared to the 8.6 million euros achieved in the 1Q11 (also excluding securitisation and an extraordinary VAT payment, reimbursed in the 2Q11).

2. Optimus

- **Optimus EBITDA is 58.4 million euros, up 6.4% y.o.y.**
- **Mobile subscriber base reaches 3.61 million customers, up 0.1% compared to 1Q11**
- **Optimus mobile EBITDA margin is 42.1% in 1Q12, up 4.0pp y.o.y.**
- **Data revenues increase to 31.3% of mobile service revenues in 1Q12, up by 0.1pp y.o.y.**

Optimus LTE road ahead
After guaranteeing, in November 2011, the ideal combination of three spectrum bands: 800Mhz, 1800Mhz and 2600Mhz, Optimus is now focused on the LTE network deployment.
The 4G technology represents a priority for Optimus, continuously dedicated to revolutionize mobile access to Internet services, to improve customer experience and to explore new opportunities in areas such as entertainment, safety, health and education. During the 1Q12, Optimus launched its first 4G offer, which gives us new arguments to sustain our strategy of leadership in mobile data.

2.1. Optimus mobile business

In the 1Q12, Optimus was able to reinforce its customer base, which grew 0.1% against 1Q11, supported by the increase of the post-paid clients' base, on the back of its wide portfolio of mobile broadband, smartphones and devices and its advanced network infrastructure.

Despite the top line pressure, mobile EBITDA margin reached 42.1%, a benchmark on what regards third mobile operators in Europe, benefiting from the efficiencies being achieved through our ongoing optimisation plan.

2.1.1. Operational data

MOBILE OPERATIONAL KPI's	1Q11	1Q12	Δ 12/11	4Q11	q.o.q.
Customers (EOP) ('000)	3,605.8	3,609.9	0.1%	3,639.4	-0.8%
Pre-paid Customers ('000)	2,409.0	2,398.5	-0.4%	2,435.6	-1.5%
Post-paid Customers ('000)	1,196.8	1,211.3	1.2%	1,203.8	0.6%
Net Additions ('000)	1.7	-29.5	-	0.8	-
Data as % Service Revenues	31.2%	31.3%	0.1pp	32.8%	-1.5pp
Non SMS Data as % Service Revenues	76.7%	76.4%	-0.3pp	75.1%	1.3pp
Total #SMS/month/user	42.2	40.6	-3.9%	44.0	-7.8%
MOU(1) (min.)	125.5	122.2	-2.6%	126.1	-3.1%
ARPU(2) (euros)	12.6	12.0	-4.9%	12.5	-3.7%
Customer Monthly Bill	11.0	10.6	-3.4%	10.9	-2.7%
Interconnection	1.7	1.4	-14.5%	1.6	-10.6%
ARPM(3) (euros)	0.10	0.10	-2.3%	0.10	-0.7%

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

Customer base
Optimus' mobile customer base stood at 3.61, growing 0.1% y.o.y., despite the negative level of net adds in the quarter, reflecting mainly the end of the government's e-initiatives programme, coupled with the impact of the Portuguese austerity measures.
Importantly, the mobile customer base growth is being fuelled by the 1.2% increase in the number of contract customer.

Mobile customers' ARPU stood at 12.0 euros, decreasing 0.6 euros compared to 1Q11 on the back of lower interconnection revenues, which decreased from 1.7 euros to 1.4 euros, and a lower customer monthly bill, which decreased from 11.0 euros to 10.6 euros. MOUs decreased 2.6% y.o.y. to an average of 122 minutes per month.

Data services and mobile broadband

Data revenues represented 31.3% of service revenues in 1Q12, improving 0.1pp compared to 1Q11, fuelled by the increased usage of mobile devices, despite the relatively modest smartphone penetration, that still represents an important growth opportunity. The weight of non-SMS related data kept almost stable between the two periods, despite the impact of the end of e-initiatives programme.

2.1.2. Financial data

Million euros

MOBILE INCOME STATEMENT	1Q11R[a]	1Q12	Δ 12/11	4Q11R[a]	q.o.q.
Turnover	**137.4**	**131.5**	**-4.3%**	**140.6**	**-6.5%**
Service Revenues	133.4	127.0	-4.8%	131.4	-3.3%
Customer Revenues	115.7	111.9	-3.3%	114.5	-2.3%
Operator Revenues	17.7	15.1	-14.4%	16.9	-10.2%
Equipment Sales	4.0	4.5	11.2%	9.2	-51.2%
Other Revenues	**8.7**	**6.8**	**-21.8%**	**8.0**	**-15.4%**
Operating Costs	**93.7**	**82.9**	**-11.5%**	**98.7**	**-16.0%**
Personnel Costs	13.4	12.0	-10.0%	12.4	-3.1%
Direct Servicing Costs(1)	36.2	29.5	-18.4%	28.6	3.2%
Commercial Costs(2)	16.9	13.6	-19.6%	25.7	-47.1%
Other Operating Costs(3)	27.3	27.8	2.0%	32.1	-13.2%
EBITDA	**52.4**	**55.4**	**5.6%**	**49.9**	**10.9%**
EBITDA Margin (%)	38.1%	42.1%	4.0pp	35.5%	6.6pp
Operating CAPEX(4)	17.1	19.8	16.0%	146.7	-86.5%
Operating CAPEX as % of Turnover	12.4%	15.1%	2.6pp	104.4%	-89.3pp
EBITDA - Operating CAPEX	35.3	35.5	0.6%	-96.8	-
Total CAPEX	17.1	19.8	15.9%	146.8	-86.5%

(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;
(a) 2011 results were restated to reflect the change, from 1 January 2012, of the accounting treatment related with loyalty contracts acquisition costs, which started to be capitalized and amortized during the respective contract period.

Turnover

Mobile turnover decreased 4.3% in 1Q12 to 131.5 million euros due to a combination of lower customer revenues and lower operator revenues. The customer revenues decreased 3.3% between 1Q11 and 1Q12 to 111.9 million euros showing, as already anticipated, the negative impact of the austerity context. The operator revenues decreased 14.4% between 1Q11 and 1Q12 to 15.1 million euros, consequence of lower regulated tariffs, MTRs and roaming in.

Operating costs

As a result of Optimus' operational efficiency plan to create a leaner organisation, mobile operating costs decreased 11.5% y.o.y. to 82.9 million euros, benefiting from:
(i) a 10.0% decrease in personnel costs; (ii) a 18.4% decrease in the level of direct servicing costs, due to a lower level of leased lines and network-related costs, as Optimus continues to reduce its dependency on rented infrastructure, and due to lower level of interconnection costs, driven by lower mobile termination rates and, (iii) a 19.6% decrease in commercial costs, mostly due to advertising costs.

EBITDA

Mobile EBITDA increased 5.6% y.o.y. to 55.4 million euros, driven mostly by a 11.5% decrease in operating costs. The EBITDA margin reached 42.1% in 1Q12 against 38.1% in 1Q11, an increase of 4.0pp.

Despite the increase of 16.0% in operating Capex, mobile EBITDA-operating Capex continued its positive pace. Between the two quarters under analysis, EBITDA-operating Capex grew from 35.3 million euros in 1Q11 to 35.5 million euros in 1Q12, up by 0.6% y.o.y..
Excluding the effect of the recent change in the accounting treatment of loyalty contracts acquisition costs, mobile EBITDA would reach 50.5 million euros, increasing 5.4% when compared with the 1Q11. Also, operating Capex would reach 15.0 million euros, increasing 18.9% when compared with the 1Q11.

2.2. Optimus wireline business

In the 1Q12, Optimus continued to succeed in the corporate and SMEs segment, supported on its integrated and convergent offers.
During 2011 and the beginning of 2012, important improvements were introduced in the product portfolio, differentiating Optimus while strengthening its position in the business segment.

2.2.1. Operational data

WIRELINE OPERATIONAL KPI's	1Q11	1Q12	Δ 12/11	4Q11	q.o.q.
Total Accesses	**399,011**	**363,965**	**-8.8%**	**375,826**	**-3.2%**
Corporate and SMEs	**152,645**	**155,246**	**1.7%**	**158,449**	**-2.0%**
PTSN/RDIS	108,916	111,136	2.0%	113,643	-2.2%
Broadband	36,763	33,545	-8.8%	34,681	-3.3%
Other & Data	6,966	10,565	51.7%	10,125	4.3%
Residential	**246,366**	**208,719**	**-15.3%**	**217,377**	**-4.0%**
PTSN/RDIS	120,181	94,059	-21.7%	100,254	-6.2%
Broadband	94,673	78,017	-17.6%	81,654	-4.5%
TV	31,512	36,643	16.3%	35,469	3.3%
Average Revenue per Access - Retail	24.1	23.0	-4.6%	22.5	2.3%

Customer base
The Corporate and SMEs segment continued to increase its presence in the market, with the number of accesses increasing from 153 thousand to 155 thousand, growing 1.7% between 1Q11 and 1Q12.

However, the number of total accesses decreased 8.8% y.o.y. to 364 thousand accesses, driven entirely by the decrease of 15.3% in the residential segment, also impacted by the decision to abandon residential customer acquisition through the incumbent's infrastructure, namely through ULL, implemented one year ago.

2.2.2. Financial data

Million euros

WIRELINE INCOME STATEMENT	1Q11R[a]	1Q12	Δ 12/11	4Q11R[a]	q.o.q.
Turnover	**54.7**	**53.4**	**-2.3%**	**56.9**	**-6.2%**
Service Revenues	54.6	52.4	-4.0%	54.9	-4.5%
Customer Revenues	27.7	24.0	-13.5%	24.6	-2.5%
Operator Revenues	26.9	28.4	5.7%	30.3	-6.0%
Equipment Sales	0.1	1.0	-	2.0	-51.5%
Other Revenues	**0.1**	**0.2**	**76.0%**	**0.3**	**-47.3%**
Operating Costs	**52.3**	**50.5**	**-3.5%**	**54.3**	**-6.9%**
Personnel Costs	0.7	1.0	39.9%	0.8	16.4%
Direct Servicing Costs(1)	37.5	37.3	-0.6%	39.7	-6.1%
Commercial Costs(2)	3.0	3.6	21.5%	5.2	-30.1%
Other Operating Costs(3)	11.1	8.7	-22.3%	8.6	0.9%
EBITDA	**2.5**	**3.1**	**24.6%**	**3.0**	**3.4%**
EBITDA Margin (%)	4.5%	5.7%	1.2pp	5.2%	0.5pp
Operating CAPEX(4)	5.6	4.3	-24.5%	7.9	-46.5%
Operating CAPEX as % of Turnover	10.3%	8.0%	-2.3pp	14.0%	-6.0pp
EBITDA - Operating CAPEX	-3.2	-1.2	62.4%	-5.0	76.0%
Total CAPEX	5.6	4.3	-24.5%	7.9	-46.5%

(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;
(a) 2011 results were restated to reflect the change, from 1 January 2012, of the accounting treatment related with loyalty contracts acquisition costs, which started to be capitalized and amortized during the respective contract period.

Turnover

Wireline turnover decreased 2.3% y.o.y. to 53.4 million euros driven entirely by a reduction of 13.5% in the level of customer revenues, as operator revenues grew 5.7% y.o.y. to 28.4 million euros. This last was driven by an increase in the traffic level, despite the decrease in wholesale traffic prices.

Operating costs

Wireline operating costs decreased 3.5% y.o.y. to 50.5 million euros. Direct servicing costs decreased 0.6% y.o.y., mostly as a result of the reduction in the number of ULL accesses. Commercial costs increased 21.5%, while other operating costs decreased 22.3%, benefiting from a lower level of provisions.

EBITDA

As a result of our revenue and cost performance, the 1Q12 wireline EBITDA increased 24.6% y.o.y., reaching 3.1 million euros. The EBITDA margin increased from 4.5% to 5.7%, growing 1.2pp y.o.y..
EBITDA-Operating CAPEX improved 62.4%, between the two periods, reaching negative 1.2 million euros, supported by a higher EBITDA and a more capital light approach.
Excluding the effect of the recent change in the accounting treatment of loyalty contracts acquisition costs, wireline EBITDA would reach 2.5 million euros, increasing 67.8% when compared to 1Q11. Also, operating Capex would reach 3.7 million euros, decreasing 20.6% when compared with 1Q11.

3. Software and Information Systems (SSI)

Our SSI area, created in the end of 2002, includes currently four companies: WeDo Technologies, Mainroad, Bizdirect and Saphety.

WeDo Technologies, SSI's largest company in terms of service revenues, continued to increase its international footprint while focusing on the acquisition of new projects in the business assurance market. Presently, WeDo Technologies has more than 150 clients in 80 countries. During 1Q12, its international revenues represented 70.0% of its turnover, growing 1.9% when compared to 1Q11.

Mainroad, specialising in IT management, security and business continuity, was able to increase its service revenues by 1.2% and more than doubling its EBITDA between 1Q11 and 1Q12, despite challenging market conditions.

Bizdirect, affected by the end of the e-initiatives programme, presented a top line decline of more than 50%. However, the company strengthened its position as a leading player in multi-brand IT solutions, supported by partnerships with the market's main manufacturers and by the management of corporate software licensing contracts.

Saphety, not only strengthened its position as a leading player in solutions for simplifying and automating processes in the domestic market, but also increased its customer base internationally, with international revenues already representing 19.6% of total turnover.

3.1. Operational data

SSI OPERATIONAL KPI's	1Q11	1Q12	Δ 12/11	4Q11	q.o.q.
IT Service Revenues/Employee[1] ('000 euros)	32.6	33.0	1.3%	37.4	-11.7%
Equipment Sales as % Turnover	45.9%	26.3%	-19.5pp	21.5%	4.9pp
Equipment Sales/Employee[2] ('000 euros)	604.5	303.9	-49.7%	257.5	18.0%
EBITDA/Employee ('000 euros)	3.4	4.3	28.2%	6.6	-35.3%
Employees	572	561	-1.9%	550	2.0%

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

IT service revenues per employee reached 33.0 thousand euros in 1Q12, 1.3% above 1Q11, mostly due to a decrease of 1.9% in SSI's total headcount to 561 employees, mostly at WeDo Technologies.

Equipment sales as percentage of turnover decreased y.o.y. from 45.9% to 26.3%, driven mainly by the end of the e-initiatives programme, which dragged down the level of Bizdirect laptop sales.

3.2. Financial data

Million euros

SSI CONSOLIDATED INCOME STATEMENT	1Q11	1Q12	Δ 12/11	4Q11	q.o.q.
Turnover	**33.0**	**24.2**	**-26.5%**	**25.2**	**-3.8%**
Service Revenues	17.8	17.8	0.0%	19.8	-9.8%
Equipment Sales	15.1	6.4	-57.8%	5.4	18.0%
Other Revenues	**0.2**	**0.5**	**-**	**0.3**	**96.2%**
Operating Costs	**31.2**	**22.4**	**-28.4%**	**21.8**	**2.5%**
Personnel Costs	7.6	7.1	-6.1%	5.9	19.7%
Commercial Costs(1)	15.1	6.5	-56.8%	5.8	13.0%
Other Operating Costs(2)	8.5	8.7	2.2%	10.1	-13.8%
EBITDA	**1.9**	**2.4**	**25.5%**	**3.7**	**-34.1%**
EBITDA Margin (%)	5.8%	9.9%	4.1pp	14.5%	-4.6pp
Operating CAPEX(3)	0.9	0.8	-10.8%	0.9	-16.9%
Operating CAPEX as % of Turnover	2.6%	3.2%	0.6pp	3.7%	-0.5pp
EBITDA - Operating CAPEX	1.1	1.6	55.0%	2.7	-39.9%
Total CAPEX	0.9	0.8	-10.8%	0.9	-16.9%

(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 26.5% to 24.2 million euros, impacted by the 57.8% drop in equipment sales, due to the end of e-initiatives programme. Despite the economic environment, the service revenues evolution was neutral between 1Q11 and 1Q12.

Operating costs
SSI operating costs decreased y.o.y. by 28.4% to 22.4 million euros. The 56.8% decrease in the level of commercial costs is mostly a direct result of the lower cost of goods sold level at Bizdirect. Personnel costs decreased 6.1% between 1Q11 and 1Q12 due to the lower number of employees. The increase in other operating costs relates mainly to higher outsourcing costs.

EBITDA
During 1Q12, SSI EBITDA reached 2.4 million euros, increasing 25.5% compared to 1Q11. The lower level of operating costs base was the driver of this evolution. As a result of (i) the lower equipment sales and (ii) the decrease in operating costs at SSI, the EBITDA margin increased y.o.y. from 5.8% to 9.9%, up 4.1pp.

4. Online & Media

Sonaecom's Online & Media business comprises a set of additional businesses such as Miau.pt and Público. Público is a leading Portuguese daily newspaper with a history dating back 22 years; while Público.pt is a leading player in the Portuguese online press sector.

Público has been recurrently wining several awards recognising the excellence and quality of its online and offline content and design.

As one of the pioneers of digital information in Portugal, Público.pt has been online since 1995. During 1Q12, the site strengthened its leadership position against its direct competitors in the general online information segment, registering significant improvements in the ratings. According to Netscope, Público.pt had an average of 9.7 million unique visitors per month during the 1Q12, placing it in the top of Portugal's online newspaper rankings. Also, as regards the number of page views, Público.pt performed a positive evolution between the 1Q11 and 1Q12, thus reducing the gap against the market leader.

Consistently, Público is also a clear leader on the social networks, exceeding 250 thousand followers on Facebook.

Overall, the newspaper continues to increase its readership, online and offline. The challenge of monetising an unprecedented growth in the number of readers is being addressed by the gradual launch of paid content, available not only through the computer but also through dedicated applications designed for smartphones and tablets.

However, the market dynamic in the daily generalist printed press sector is going through very challenging times both in terms of circulation and advertising figures. Nevertheless, Público was able to improve its audience percentage from 4.5% to 5.0% between 1Q11 and 1Q12 (source: Bareme Imprensa).

As for financial performance, the considerably lower level of advertising sales against the negative macroeconomic backdrop has inevitably impacted the Online & Media EBITDA. Nonetheless, in the 1Q12, EBITDA kept almost stable versus the 1Q11, at negative 0.80 million euros.

5. Main regulatory developments in 1Q12

MTR's glide path

ICP-Anacom notified the European Commission on a draft decision on MTRs, including a glide path starting on 30 April. The initial draft decision, published on October 2011, foresaw a decrease from 1 February 2012 and presented slight smaller prices (0.02 eurocents):

ICP-Anacom draft decision - October 2011

	MTR's/€
Current price	0.035
1 February 2012	0.0275
1 May 2012	0.0225
1 August 2012	0.0175
1 November 2012	0.0125

ICP-Anacom draft decision - March 2012

	MTR's/€
Current price	0.035
30 April 2012	0.0277
30 June 2012	0.0227
30 September 2012	0.0177
30 December 2012	0.0127

According to ICP- ANACOM, the date changes were consequence of a delay during the consultation process due to the subject complexity and the slight increase on prices was due to an update of inflation for 2012.

Public consultation on Market 4 and 5

ICP-ANACOM has published a public consultation on the review of markets 4 (wholesale network infrastructure access) and 5 (wholesale broadband access) analysis. Regarding market 4, a new obligation to provide fiber access (virtual access) is to be imposed nationwide, with the exception of 17 municipalities. As for market 5, the regulator maintains the geographical segmentation between competitive and non-competitive areas, based on the conclusion that no significant changes were identified in the competitive environment across these areas to justify a regulatory adjustment. As such, the obligation to provide a bitstream offer solely in non-competitive areas is held. In addition, multicasting may be imposed, depending on explicit interest by alternative providers and economic feasibility, the regulator also decided not to include fibre in bitstream obligations, justifying this decision with the lack of fibre investment by the incumbent in non-competitive areas.

6. Main corporate developments in 1Q12

Acquisition of own shares

12 March to 30 March 2012

In accordance with the authorisations granted by the Shareholders' General Meeting and for the purpose of fulfilling the obligations arising from the employees' Medium Term Incentive Plan, Sonaecom purchased between 12 and 30 March 2012, through the Euronext Lisbon Stock Exchange, a total of 722,271 shares representing approximately 0.20% of its share capital. As of 31 March 2012, Sonaecom held 5,020,529 own shares, representing 1.37% of its share capital.

7. Subsequent events

Annual General meeting

Sonaecom shareholders have decided, at the Company's Annual General Meeting held on 27 April 2012:

1. To approve the Company's Annual Report, the individual and consolidated Annual Accounts for 2011, including appendices thereto, as presented by the Board of Directors.
2. To approve the proposed appropriation of the Net Results for year ended 31 December 2011, as follows:
   - (i) The negative net income in Sonaecom Individual accounts, in the amount of 7,960,681.56 Euros is transferred to Free Reserves;
   - (ii) A total of 25,637,280.76 Euros of Free Reserves is paid to shareholders, corresponding to a gross value of 0.07 Euros per share in respect of the total number of shares issued, but excluding own shares held by the Company at the date of the payment;
   - (iii) No payment will be made in respect of own shares held by the Company on the above payment date and the equivalent gross amount of 0.07 Euros will be added to Accumulated Distributable Reserves.

   It was also approved that, as it is not possible to determine the exact number of own shares that will be held by the Company on the above payment date, without limiting the Company's capacity to transact shares in the meantime, for clarification purposes:
   - (i) For each share issued, a gross amount of 0.07 Euros will be paid;
   - (ii) No payment will be made in respect of own shares held by the Company on the above payment date and the equivalent gross amount of 0.07 Euros will be added to Accumulated Distributable Reserves.
3. To approve a vote of appreciation and confidence in the work performed by the Board of Directors, Statutory Audit Board and Statutory External Auditor of Sonaecom, SGPS, S.A., during the year ended 31 December 2011;
4. To elect the members for the statutory governing bodies for the four-year mandate 2012-2015:
5. To elect as Statutory External Auditor of the Company for the four-year mandate 2012-2015: Deloitte & Associados, SROC, represented by António Manuel Martins Amaral or by João Luís Falua Costa da Silva.
6. To approve the remuneration and compensation policy of the statutory governing bodies and persons discharging managerial responsibilities ("Dirigentes") as well as the attribution share plan and respective regulation, to be executed by the Shareholders' Remuneration Committee, as per the terms of the proposal presented by the Shareholders' Remuneration Committee and previously disclosed;
7. To approve the remuneration of the Shareholder's Remuneration Committee, as per the terms of the proposal presented and previously disclosed.
8. To authorise the Board of Directors, over the next 18 months, to purchase and sale of own shares up to the legal limit of 10% as per the terms of the proposal presented by that body and previously disclosed.
9. To authorise over the next 18 months, and under the legal limits, the purchase and holding of shares of the Company by its controlled companies, as per the terms of the proposal presented by that body and previously disclosed.

MTR's glide path

On 2 May 2012, ICP-Anacom released the final decision on MTRs. This decision foresaw a decrease from 7 May 2012.

ICP-Anacom final decision - 2 May 2012

	MTR's/€
Current price	0.035
7 May 2012	0.0277
30 June 2012	0.0227
30 September 2012	0.0177
30 December 2012	0.0127

This final decision follows the European Commission statement of 26 April 2012, which did not include any comment to ICP-Anacom's draft proposal.

8. Appendix

8.1. Sonaecom consolidated income statement

Million euros

CONSOLIDATED INCOME STATEMENT	1Q11R[a]	1Q12	Δ 12/11	4Q11R[a]	q.o.q.
Turnover	**215.8**	**202.5**	**-6.2%**	**213.3**	**-5.1%**
Mobile	137.4	131.5	-4.3%	140.6	-6.5%
Wireline	54.7	53.4	-2.3%	56.9	-6.2%
SSI	33.0	24.2	-26.5%	25.2	-3.8%
Other & Eliminations	-9.2	-6.6	27.8%	-9.3	28.8%
Other Revenues	2.4	2.3	-2.2%	2.5	-7.3%
Operating Costs	**162.8**	**144.5**	**-11.3%**	**160.7**	**-10.1%**
Personnel Costs	24.3	22.0	-9.5%	21.4	3.0%
Direct Servicing Costs(1)	64.4	58.7	-8.9%	59.5	-1.3%
Commercial Costs(2)	35.5	25.6	-27.9%	37.2	-31.2%
Other Operating Costs(3)	38.5	38.2	-0.9%	42.6	-10.5%
EBITDA	**55.4**	**60.3**	**8.8%**	**55.2**	**9.3%**
EBITDA Margin (%)	25.7%	29.8%	4.1pp	25.9%	3.9pp
Mobile	52.4	55.4	5.6%	49.9	10.9%
Wireline	2.5	3.1	24.6%	3.0	3.4%
SSI	1.9	2.4	25.5%	3.7	-34.1%
Other & Eliminations	-1.4	-0.5	62.5%	-1.3	61.6%
Depreciation & Amortization	35.7	36.8	3.1%	42.9	-14.2%
EBIT	**19.7**	**23.5**	**19.2%**	**12.3**	**90.9%**
Net Financial Results	**-2.3**	**-2.3**	**-2.2%**	**-2.1**	**-11.9%**
Financial Income	1.5	2.2	45.7%	3.1	-30.0%
Financial Expenses	3.7	4.5	19.4%	5.1	-13.2%
EBT	**17.5**	**21.2**	**21.4%**	**10.3**	**106.8%**
Tax results	-3.8	-4.3	-11.9%	-4.7	10.1%
Net Results	**13.7**	**17.0**	**24.0%**	**5.5**	**-**
Group Share	13.7	17.0	24.3%	5.5	-
Attributable to Non-Controlling Interests	0.0	0.0	-	0.0	-

(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;
(a) 2011 results were restated to reflect the change, from 1 January 2012, of the accounting treatment related with loyalty contracts acquisition costs, which started to be capitalized and amortized during the respective contract period.

8.2. Sonaecom consolidated balance sheet

Million euros

CONSOLIDATED BALANCE SHEET	1Q11R[a]	1Q12	Δ 12/11	4Q11R[a]	q.o.q.
Total Net Assets	**1,871.2**	**1898.9**	**1.5%**	**2,037.5**	**-6.8%**
Non Current Assets	1,503.3	1,582.0	5.2%	1,598.0	-1.0%
Tangible and Intangible Assets	870.4	961.1	10.4%	972.5	-1.2%
Goodwill	526.1	521.1	-1.0%	521.1	0.0%
Investments	0.2	0.2	1.7%	0.2	0.0%
Deferred Tax Assets	106.4	99.3	-6.7%	103.9	-4.4%
Others	0.2	0.3	43.3%	0.3	14.2%
Current Assets	368.0	316.9	-13.9%	439.5	-27.9%
Trade Debtors	106.2	107.4	1.1%	146.1	-26.5%
Liquidity	100.8	99.9	-0.9%	189.4	-47.2%
Others	160.9	109.6	-31.9%	104.0	5.4%
Shareholders' Funds	**1,001.0**	**1,052.8**	**5.2%**	**1,034.4**	**1.8%**
Group Share	1,000.5	1052.4	5.2%	1,033.9	1.8%
Non-Controlling Interests	0.5	0.4	-25.2%	0.5	-28.4%
Total Liabilities	**870.3**	**846.1**	**-2.8%**	**1,003.1**	**-15.6%**
Non Current Liabilities	458.9	399.3	-13.0%	441.9	-9.6%
Bank Loans	363.2	289.6	-20.3%	320.2	-9.6%
Provisions for Other Liabilities and Charges	33.6	47.5	41.2%	48.5	-2.2%
Others	62.1	62.2	0.2%	73.2	-14.9%
Current Liabilities	411.4	446.8	8.6%	561.2	-20.4%
Bank Loans	41.1	143.3	-	118.4	21.0%
Trade Creditors	146.6	134.4	-8.3%	172.6	-22.2%
Others	223.7	169.1	-24.4%	270.2	-37.4%
Operating CAPEX(1)	23.5	25.6	8.7%	156.3	-83.6%
Operating CAPEX as % of Turnover	10.9%	12.6%	1.7pp	73.3%	-60.6pp
Total CAPEX	23.5	25.6	8.6%	156.3	-83.6%
EBITDA - Operating CAPEX	31.9	34.7	8.9%	-101.1	-
Operating Cash Flow(2)	-25.3	-76.3	-	16.6	0.0%
FCF(3)	-35.2	-86.5	-145.6%	10.2	-
Gross Debt	425.1	455.7	7.2%	459.2	-0.8%
Net Debt	324.3	355.8	9.7%	269.9	31.8%
Net Debt/ EBITDA last 12 months	1.5 x	1.5 x	0.0x	1.1 x	0.3x
EBITDA/Interest Expenses(4) (last 12 months)	15.0 x	15.3 x	0.3x	15.3 x	-0.1x
Debt/Total Funds (Debt + Shareholders' Funds)	29.8%	30.2%	0.4pp	30.7%	-0.5pp
Excluding the Securitisation Transaction:					
Net Debt	378.6	387.6	2.4%	309.5	25.2%
Net Debt/ EBITDA last 12 months	1.7 x	1.6 x	-0.1x	1.3 x	0.3x
EBITDA/Interest Expenses(4) (last 12 months)	15.0 x	15.3 x	0.3x	15.3 x	-0.1x

(1) Operating CAPEX excludes Financial Investments, Provisions for sites dismantling and other non operational investments; (2) Operating Cash Flow = EBITDA - Operating CAPEX - Change in WC -Non Cash item & Other; (3) FCF Levered after Financial Expenses but before Capital Flows and Financing related up-front Costs; (4) Interest Cover;
(a) 2011 results were restated to reflect the change, from 1 January 2012, of the accounting treatment related with loyalty contracts acquisition costs, which started to be capitalized and amortized during the respective contract period.

8.3. Sonaecom levered FCF

Million euros

LEVERED FREE CASH FLOW	1Q11	1Q12	Δ 12/11	4Q11	q.o.q.
EBITDA-Operating CAPEX	**31.9**	**34.7**	**8.9%**	**-101.1**	**-**
Change in WC	-58.7	-109.5	-86.6%	98.7	-
Non Cash Items & Other	1.4	-1.6	-	18.9	-
Operating Cash Flow	**-25.3**	**-76.3**	**-**	**16.6**	**-**
Securitisation Transaction	-5.0	-5.0	0.0%	-5.0	0.0%
Own shares	-2.2	-0.7	66.8%	0.0	-
Financial results	-1.9	-3.2	-65.8%	-0.4	-
Income taxes	-0.7	-1.2	-71.8%	-0.9	-32.3%
FCF	**-35.2**	**-86.5**	**-145.6%**	**10.2**	**-**

8.4. Sonaecom headcount

Sonaecom	1Q11	1Q12	Δ 12/11	4Q11	q.o.q.
Total Employees	**2,074**	**2,011**	**-3.0%**	**2,016**	**-0.2%**
Shared Services and Corporate Centre	141	137	-2.8%	140	-2.1%
Telecommunications	1,100	1,061	-3.5%	1,074	-1.2%
SSI	572	561	-1.9%	550	2.0%
Online & Media	261	252	-3.4%	252	0.0%

8.5. Optimus consolidated income statement

Million euros

OPTIMUS INCOME STATEMENT	1Q11R[a]	1Q12	Δ 12/11	4Q11R[a]	q.o.q.
Turnover	**182.8**	**176.7**	**-3.3%**	**188.6**	**-6.3%**
Service Revenues	178.7	171.3	-4.1%	177.4	-3.4%
Customer Revenues	143.0	135.4	-5.3%	138.7	-2.3%
Operator Revenues	35.7	35.8	0.5%	38.7	-7.4%
Equipment Sales	4.1	5.5	32.9%	11.2	-51.5%
Other Revenues	**3.2**	**2.6**	**-17.3%**	**2.8**	**-6.4%**
Operating Costs	**131.1**	**120.9**	**-7.7%**	**138.5**	**-12.7%**
Personnel Costs	14.0	13.0	-7.4%	13.2	-1.8%
Direct Servicing Costs[1]	64.3	58.5	-9.0%	59.3	-1.5%
Commercial Costs[2]	19.9	17.2	-13.5%	30.8	-44.3%
Other Operating Costs[3]	32.9	32.3	-1.8%	35.1	-8.1%
EBITDA	**54.9**	**58.4**	**6.4%**	**52.9**	**10.4%**
EBITDA Margin (%)	30.0%	33.1%	3.0pp	28.0%	5.0pp
Operating CAPEX[4]	22.8	25.5	11.9%	155.0	-83.6%
Operating CAPEX as % of Turnover	12.5%	14.4%	2.0pp	82.2%	-67.7pp
EBITDA - Operating CAPEX	32.1	32.9	2.5%	-102.1	-
Total CAPEX	22.8	25.5	11.7%	155.0	-83.6%

(1) Direct Servicing Costs = Interconnection and Content + Leased Lines + Other Network Operating Costs; (2) Commercial Costs = COGS + Mktg & Sales Costs; (3) Other Operating Costs = Outsourcing Services + G&A + Provisions + others; (4) Operating CAPEX excludes Financial Investments, Provisions for sites dismantling and other non operational investments;
(a) 2011 results were restated to reflect the change, from 1 January 2012, of the accounting treatment related with loyalty contracts acquisition costs, which started to be capitalized and amortized during the respective contract period.

9. Historical Financials

9.1. Consolidated Income Statement

Million euros

CONSOLIDATED INCOME STATEMENT	1Q11R	2Q11R	3Q11R	4Q11R	2011R
Turnover	**215.8**	**209.6**	**224.9**	**213.3**	**863.6**
Other Revenues	2.4	2.0	2.0	2.5	8.8
Operating Costs	**162.8**	**149.6**	**163.9**	**160.7**	**637.0**
Personnel Costs	24.3	22.9	23.8	21.4	92.4
Direct Servicing Costs(1)	64.4	60.1	63.2	59.5	247.2
Commercial Costs(2)	35.5	27.7	38.1	37.2	138.4
Other Operating Costs(3)	38.5	38.9	38.9	42.6	158.9
EBITDA	**55.4**	**61.9**	**62.9**	**55.2**	**235.5**
EBITDA Margin (%)	25.7%	29.6%	28.0%	25.9%	27.3%
Depreciation & Amortization	35.7	37.2	37.6	42.9	153.3
EBIT	**19.7**	**24.7**	**25.4**	**12.3**	**82.2**
Net Financial Results	**-2.3**	**-2.5**	**-2.1**	**-2.1**	**-8.9**
Financial Income	1.5	1.7	2.3	3.1	8.6
Financial Expenses	3.7	4.2	4.4	5.1	17.5
EBT	17.5	22.2	23.3	10.3	73.3
Tax results	-3.8	-4.1	1.7	-4.7	-11.0
Net Results	**13.7**	**18.1**	**25.0**	**5.5**	**62.3**
Group Share	13.7	18.1	25.0	5.5	62.3
Attributable to Non-Controlling Interests	0.0	0.0	0.0	0.0	0.0
Operating CAPEX(4)	23.5	30.2	28.4	156.3	238.3
Total CAPEX	23.5	30.2	28.4	156.3	238.5

(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.

9.2. Consolidated Balance Sheet

Million euros

CONSOLIDATED BALANCESHEET	1Q11R	2Q11R	3Q11R	4Q11R	2011R
Total Net Assets	**1,871.2**	**1,853.4**	**1,927.4**	**2,037.5**	**2,037.5**
Non Current Assets	1,503.3	1,493.3	1,486.0	1,598.0	1,598.0
Tangible and Intangible Assets	870.4	863.3	853.9	972.5	972.5
Goodwill	526.1	526.1	526.1	521.1	521.1
Investments	0.2	0.2	0.2	0.2	0.2
Deferred Tax Assets	106.4	103.5	105.4	103.9	103.9
Others	0.2	0.3	0.3	0.3	0.3
Current Assets	368.0	360.1	441.4	439.5	439.5
Trade Debtors	106.2	109.5	133.2	146.1	146.1
Liquidity	100.8	126.1	183.0	189.4	189.4
Others	160.9	124.4	125.2	104.0	104.0
Shareholders' Funds	**1,001.0**	**1,002.5**	**1,028.1**	**1,034.4**	**1,034.4**
Group Share	1,000.5	1,002.1	1,027.6	1,033.9	1,033.9
Non-Controlling Interests	0.5	0.5	0.5	0.5	0.5
Total Liabilities	**870.3**	**850.9**	**899.3**	**1,003.1**	**1,003.1**
Non Current Liabilities	458.9	460.9	405.1	441.9	441.9
Bank Loans	363.2	370.2	319.1	320.2	320.2
Provisions for Other Liabilities and Charges	33.6	34.2	34.5	48.5	48.5
Others	62.1	56.5	51.5	73.2	73.2
Current Liabilities	411.4	390.0	494.2	561.2	561.2
Bank Loans	41.1	30.3	121.9	118.4	118.4
Trade Creditors	146.6	143.7	155.8	172.6	172.6
Others	223.7	216.0	216.5	270.2	270.2

9.3. Optimus Mobile income statement

Million euros

OPTIMUS MOBILE INCOME STATEMENT	1Q11R	2Q11R	3Q11R	4Q11R	2011R
Turnover	**137.4**	**142.9**	**149.8**	**140.6**	**570.7**
Other Revenues	8.7	8.3	7.2	8.0	32.2
Operating Costs	**93.7**	**93.7**	**98.2**	**98.7**	**384.3**
Personnel Costs	13.4	12.5	12.8	12.4	51.0
Direct Servicing Costs(1)	36.2	33.8	32.3	28.6	130.9
Commercial Costs(2)	16.9	19.7	25.1	25.7	87.3
Other Operating Costs(3)	27.3	27.8	28.0	32.1	115.1
EBITDA	**52.4**	**57.5**	**58.8**	**49.9**	**218.6**
EBITDA Margin (%)	38.1%	40.2%	39.2%	35.5%	38.3%
Operating CAPEX(4)	17.1	23.0	23.7	146.7	210.5
Total CAPEX	17.1	23.0	23.8	146.8	210.7

(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.

9.4. Optimus Wireline income statement

Million euros

OPTIMUS WIRELINE INCOME STATEMENT	1Q11R	2Q11R	3Q11R	4Q11R	2011R
Turnover	**54.7**	**52.2**	**56.6**	**56.9**	**220.4**
Other Revenues	0.1	0.3	0.3	0.3	1.0
Operating Costs	**52.3**	**48.9**	**52.9**	**54.3**	**208.4**
Personnel Costs	0.7	0.7	0.6	0.8	2.8
Direct Servicing Costs(1)	37.5	35.5	40.1	39.7	152.8
Commercial Costs(2)	3.0	2.0	2.0	5.2	12.1
Other Operating Costs(3)	11.1	10.7	10.2	8.6	40.6
EBITDA	**2.5**	**3.7**	**3.9**	**3.0**	**13.0**
EBITDA Margin (%)	4.5%	7.0%	6.9%	5.2%	5.9%
Operating CAPEX(4)	5.6	6.2	3.6	7.9	23.4
Total CAPEX	5.6	6.2	3.6	7.9	23.4

(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.

9.5. Optimus consolidated income statement

Million euros

OPTIMUS INCOME STATEMENT	1Q11R	2Q11R	3Q11R	4Q11R	2011R
Turnover	**182.8**	**186.2**	**197.2**	**188.6**	**754.7**
Other Revenues	3.2	2.9	2.6	2.8	11.4
Operating Costs	**131.1**	**127.9**	**137.0**	**138.5**	**534.5**
Personnel Costs	14.0	13.1	13.4	13.2	53.8
Direct Servicing Costs(1)	64.3	60.0	63.0	59.3	246.6
Commercial Costs(2)	19.9	21.7	27.1	30.8	99.4
Other Operating Costs(3)	32.9	33.0	33.5	35.1	134.6
EBITDA	**54.9**	**61.2**	**62.7**	**52.9**	**231.7**
EBITDA Margin (%)	30.0%	32.9%	31.8%	28.0%	30.7%
Operating CAPEX(4)	22.8	29.3	27.4	155.0	234.5
Total CAPEX	22.8	29.4	27.5	155.0	234.7

(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.

10. Financial Information

10.1. Sonaecom consolidated financial statements

Consolidated balance sheets

For the periods ended at 31 March 2012 and 2011 (restated), for the year ended at 31 December 2011 (restated) and for 1 January 2011 (restated)

(Amounts expressed in euro)	Notes	March 2012	March 2011 (restated)	December 2011 (restated)	1 January 2011 (restated)
Assets					
Non-current assets					
Tangible assets	1.d), 1.i) and 6	575,671,916	583,386,928	583,413,555	592,369,741
Intangible assets	1.e), 1.f) and 7	385,408,619	286,966,292	389,121,882	290,906,832
Goodwill	1.g) and 9	521,103,723	526,111,722	521,103,723	526,141,552
Investments available for sale	1.h), 8 and 10	212,323	212,323	212,323	212,323
Other non-current assets	1.s) and 1.t)	302,168	208,301	264,973	174,363
Deferred tax assets	1.q), 1.t) and 11	99,271,674	106,382,083	103,853,881	109,587,224
Total non-current assets		1,581,970,423	1,503,267,649	1,597,970,337	1,519,392,035
Current assets					
Inventories	1.j)	6,859,854	19,871,333	7,365,390	17,473,750
Trade debtors	1.h), 1.k) and 8	107,408,958	106,241,168	146,137,974	143,294,200
Other current debtors	1.h), 1.k) and 8	28,713,991	65,320,384	25,933,462	61,302,698
Other current assets	1.s)	74,064,685	75,736,251	70,723,575	69,839,130
Cash and cash equivalents	1.l), 8 and 12	99,898,634	100,808,101	189,350,054	68,577,903
Total current assets		316,946,122	367,977,237	439,510,455	360,487,681
Total assets		1,898,916,545	1,871,244,886	2,037,480,792	1,879,879,716
Shareholders' funds and liabilities					
Shareholders' funds					
Share capital	13	366,246,868	366,246,868	366,246,868	366,246,868
Own shares	1.v) and 14	(7,289,051)	(13,625,492)	(13,594,518)	(15,030,834)
Reserves	1.u)	676,506,792	634,187,418	618,945,566	593,009,788
Consolidated net income/(loss) for the period		16,977,541	13,655,537	62,287,398	43,669,651
		1,052,442,150	1,000,464,331	1,033,885,314	987,895,473
Non-controlling interests		369,228	493,665	515,654	593,790
Total Shareholders' funds		1,052,811,378	1,000,957,996	1,034,400,968	988,489,263
Liabilities					
Non-current liabilities					
Medium and long-term loans – net of short-term portion	1.m), 1.n), 8 and 15	289,558,835	363,173,473	320,176,857	305,038,006
Other non-current financial liabilities	1.i), 8 and 16	19,852,885	18,401,802	17,990,531	19,253,869
Provisions for other liabilities and charges	1.p), 1.t) and 17	47,484,133	33,632,496	48,549,956	33,150,028
Securitisation of receivables	8 and 18	14,981,949	34,809,214	19,951,846	39,740,412
Deferred tax liabilities	1.q), 1.t) and 11	3,336,162	5,529,885	5,186,711	5,559,170
Other non-current liabilities	1.s), 1.t) and 1.y)	24,063,386	3,359,355	30,041,779	2,739,617
Total non-current liabilities		399,277,350	458,906,225	441,897,680	405,481,102
Current liabilities					
Short-term loans and other loans	1.m), 1.n), 8 and 15	143,325,091	41,067,999	118,405,031	30,942,240
Trade creditors	8	134,383,857	146,563,075	172,622,586	178,732,746
Other current financial liabilities	1.i), 8 and 19	2,945,208	2,420,049	2,645,498	2,171,140
Securitisation of receivables	8 and 18	19,838,393	19,679,793	19,802,596	19,634,161
Other creditors	8	12,539,734	19,620,541	23,832,672	56,752,155
Other current liabilities	1.s) and 1.y)	133,795,534	182,029,208	223,873,761	197,676,909
Total current liabilities		446,827,817	411,380,665	561,182,144	485,909,351
Total Shareholders' funds and liabilities		1,898,916,545	1,871,244,886	2,037,480,792	1,879,879,716

The notes are an integral part of the consolidated financial statements at 31 March 2012 and 2011 (restated – note 1).

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 31 March 2012 and 2011 (restated) and for the year ended at 31 December 2011 (restated)

(Amounts expressed in euro)	Notes	March 2012	March 2011 (restated)	December 2011 (restated)
Sales	23	15,342,473	21,854,101	77,172,088
Services rendered	23	187,109,040	193,977,864	786,462,327
Other operating revenues	23	2,330,901	2,382,704	8,809,285
		204,782,414	218,214,669	872,443,700
Cost of sales	1.j)	(16,540,367)	(22,834,642)	(85,401,524)
External supplies and services	1.i), 20 and 23	(96,169,825)	(106,160,957)	(419,762,108)
Staff expenses	1.y) and 27	(22,034,315)	(24,340,884)	(92,443,327)
Depreciation and amortisation	1.d), 1.e), 1.g), 1.x), 6 and 7	(36,780,549)	(35,672,873)	(153,301,640)
Provisions and impairment losses	1.k), 1.p), 1.x) and 17	(5,669,856)	(5,583,698)	(23,698,647)
Other operating costs		(4,057,858)	(3,875,239)	(15,663,550)
		(181,252,770)	(198,468,293)	(790,270,796)
Losses in group and associated companies	1.b)	–	–	(54,422)
Other financial expenses	1.n), 1.w), 1.x), 21 and 23	(4,465,678)	(3,740,124)	(17,413,177)
Other financial income	1.w), 21 and 23	2,157,174	1,480,865	8,575,532
Current income / (loss)		21,221,140	17,487,117	73,280,837
Income taxation	1.q), 11 and 22	(4,255,576)	(3,804,450)	(10,955,640)
Consolidated net income / (loss) for the period		16,965,564	13,682,667	62,325,197
Attributed to:				
Shareholders of parent company	26	16,977,541	13,655,537	62,287,398
Non-controlling interests		(11,977)	27,130	37,799
Earnings per share				
Including discontinued operations:				
Basic		0.05	0.04	0.17
Diluted		0.05	0.04	0.17
Excluding discontinued operations:				
Basic		0.05	0.04	0.17
Diluted		0.05	0.04	0.17

The notes are an integral part of the consolidated financial statements at 31 March 2012 and 2011 (restated – note 1).

The Chief Accountant

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Nuno Manuel Moniz Trigoso Jordão

Consolidated statement of comprehensive income

For the periods ended at 31 March 2012 and 2011 (restated) and for the year ended at 31 December 2011 (restated)

(Amounts expressed in euro)	Notes	March 2012	March 2011 (restated)	December 2011 (restated)
Consolidated net income / (loss) for the period		16,965,564	13,682,667	62,325,197
Components of other consolidated comprehensive income, net of tax				
Changes in currency translation reserve and other	1.w)	(281,393)	94,263	(297,463)
Consolidated comprehensive income for the period		16,684,171	13,776,930	62,027,734
Attributed to:				
Shareholders of parent company		16,696,148	13,749,800	61,989,935
Non-controlling interests		(11,977)	27,130	37,799

The notes are an integral part of the consolidated financial statements at 31 March 2012 and 2011 (restated – note 1).

The Chief Accountant

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Consolidated movements in shareholders' funds

For the periods ended at 31 March 2012 and 2011 (restated)

						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
2012											
Balance at 31 December 2011 (restated)	366,246,868	(13,594,518)	7,991,192	775,290,377	(185,050,510)	7,119,989	13,594,518	618,945,566	-	62,287,398	1,033,885,314
Appropriation of the consolidated net result of 2011 (restated)	-	-	-	-	62,287,398	-	-	62,287,398	-	(62,287,398)	-
Consolidated comprehensive income for the period ended at 31 March 2012	-	-	-	-	(281,393)	-	-	(281,393)	-	16,977,541	16,696,148
Acquisition of own shares	-	(883,554)	-	-	(883,554)	-	883,554	-	-	-	(883,554)
Delivery of own shares under the Medium Term Incentive Plans (notes 1.y) e 27)	-	7,189,021	-	-	5,585,629	(4,006,035)	(7,189,021)	(5,609,427)	-	-	1,579,594
Effect of the recognition of the Medium Term Incentive Plans (notes 1.y) e 27)	-	-	-	-	-	1,164,648	-	1,164,648	-	-	1,164,648
Balance at 31 March 2012	366,246,868	(7,289,051)	7,991,192	775,290,377	(118,342,430)	4,278,602	7,289,051	676,506,792	-	16,977,541	1,052,442,150
Non-controlling interests											
Balance at 31 December 2011 (restated)	-	-	-	-	-	-	-	-	515,654	-	515,654
Non-controlling interests in comprehensive income	-	-	-	-	-	-	-	-	(11,977)	-	(11,977)
Dividend distribution	-	-	-	-	-	-	-	-	(124,500)	-	(124,500)
Other changes	-	-	-	-	-	-	-	-	(9,949)	-	(9,949)
Balance at 31 March 2012	-	-	-	-	-	-	-	-	369,228	-	369,228
Total	366,246,868	(7,289,051)	7,991,192	775,290,377	(118,342,430)	4,278,602	7,289,051	676,506,792	369,228	16,977,541	1,052,811,378

Consolidated movements in shareholders' funds (continued)

For the periods ended at 31 March 2012 and 2011 (restated)

			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 (restated)	366,246,868	(15,030,834)	1,221,003	775,290,377	(203,345,179)	4,812,753	15,030,834	593,009,788	-	43,669,651	987,895,473
Appropriation of the consolidated net result of 2010 (restated)	-	-	6,770,189	-	36,899,462	-	-	43,669,651	-	(43,669,651)	-
Consolidated comprehensive income for the period ended at 31 March 2011	-	-	-	-	94,263	-	-	94,263	-	13,655,537	13,749,800
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.y) e 27)	-	3,628,629	-	-	1,752,301	(1,604,799)	(3,628,629)	(3,481,127)	-	-	147,502
Effect of the recognition of the Medium Term Incentive Plans (notes 1.y) e 27)	-	-	-	-	-	894,843	-	894,843	-	-	894,843
Balance at 31 March 2011 (restated)	366,246,868	(13,625,492)	7,991,192	775,290,377	(166,822,440)	4,102,797	13,625,492	634,187,418	-	13,655,537	1,000,464,331
Non-controlling interests											
Balance at 31 December 2010 (restated)	-	-	-	-	-	-	-	-	593,790	-	593,790
Non-controlling interests in comprehensive income	-	-	-	-	-	-	-	-	27,130	-	27,130
Dividend distribution	-	-	-	-	-	-	-	-	(124,500)	-	(124,500)
Other changes	-	-	-	-	-	-	-	-	(2,755)	-	(2,755)
Balance at 31 March 2011 (restated)	–	–	–	–	–	–	–	–	493,665	–	493,665
Total	366,246,868	(13,625,492)	7,991,192	775,290,377	(166,822,440)	4,102,797	13,625,492	634,187,418	493,665	13,655,537	1,000,957,996

The notes are an integral part of the consolidated financial statements at 31 March 2012 and 2011 (restated – note 1).

The Chief Accountant

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Consolidated cash flow statements

For the periods ended at 31 March 2012 and 2011

(Amounts expressed in euro)	March 2012		March 2011	
Operating activities				
Receipts from trade debtors	222,059,977		243,396,685	
Payments to trade creditors	(144,718,809)		(163,063,660)	
Payments to employees	(31,157,230)		(32,086,550)	
Cash flows from operating activities	46,183,938		48,246,475	
Payments / receipts relating to income taxes, net	(1,172,552)		(725,627)	
Other payments / receipts relating to operating activities, net	(2,701,629)		(36,215,629)	
Cash flows from operating activities (1)	42,309,757	42,309,757	11,305,219	11,305,219
Investing activities				
Receipts from:				
Tangible assets	663,618		5,059,575	
Intangible assets	-		13,694	
Interest and similar income	1,774,056	2,437,674	1,395,534	6,468,803
Payments for:				
Financial investments	-		(8,860,291)	
Tangible assets	(30,972,213)		(28,535,162)	
Intangible assets	(86,303,934)	(117,276,147)	(5,111,038)	(42,506,491)
Cash flows from investing activities (2)		(114,838,473)		(36,037,688)
Financing activities				
Receipts from:				
Loans obtained	65,000	65,000	70,750,000	70,750,000
Payments for:				
Leasing	(556,121)		(517,937)	
Interest and similar expenses	(5,486,929)		(3,268,032)	
Dividends	(124,500)		(124,500)	
Acquisition of own shares	(738,425)		(2,223,287)	
Loans obtained	(10,032,148)	(16,938,123)	(5,031,847)	(11,165,603)
Cash flows from financing activities (3)		(16,873,123)		59,584,397
Net cash flows (4)=(1)+(2)+(3)		(89,401,839)		34,851,928
Effect of the foreign exchanges		13,073		(68,807)
Cash and cash equivalents at the beginning of the period		189,031,758		66,024,199
Cash and cash equivalents at the end of the period		99,642,992		100,807,320

The notes are an integral part of the consolidated financial statements at 31 March 2012 and 2011 (restated – note 1).

Chief Accountant

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Notes to the consolidated cash flow statements

For the periods ended at 31 March 2012 and 2011

1. Acquisition or sale of subsidiaries or other businesses

	March 2012	March 2011
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

	March 2012	March 2011
Cash in hand	155,989	281,751
Cash at bank	4,400,949	6,986,351
Treasury applications	95,341,696	93,540,000
Overdrafts	(255,642)	(782)
Cash and cash equivalents	99,642,992	100,807,320
Overdrafts	255,642	782
Cash assets	99,898,634	100,808,102

3. Description of non-monetary financing activities

	March 2012	March 2011
a) Bank credit obtained and not used	111,352,068	80,000,000
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	44,656,975	(114,758,611)	(6,557,790)	(76,659,426)
Multimedia	(1,390,716)	(189,473)	(45,293)	(1,625,482)
Information Systems	(326,974)	(481,659)	(90,319)	(898,952)
Holding	(629,528)	591,270	(10,179,721)	(10,217,979)
	42,309,757	(114,838,473)	(16,873,123)	(89,401,839)

The notes are an integral part of the consolidated financial statements at 31 March 2012 and 2011 (restated – note 1).

Chief Accountant

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10.2. 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 and 3 ('the Group').

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

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

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

- A Retail Share Offer of 5,430,000 shares, representing 3.62% of the share capital, made in the domestic market and aimed at: (i) employees of the Sonae Group; (ii) customers of the companies controlled by Sonaecom; and (iii) the general public;
- An Institutional Offering for sale of 26,048,261 shares, representing 17.37% of the share capital, aimed at domestic and foreign institutional investors.

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

In addition, 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 about 13 countries.

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 and 3) in accordance with the International Financial Reporting Standards (IAS/IFRS) as adopted by the European Union (EU). These financial statements were prepared based on the acquisition cost, except for the revaluation of some financial instruments.

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

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

Until the date of approval of these financial statements there are no standards, interpretations, amendments and revisions that have been approved (endorsed) by the European Union, whose application is mandatory in 1 January 2012 or in future financial years.

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)
IFRS 1 - Amendments (Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters) The amendments referred to the Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters: 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 1 - Amendments (Government Loans) The amendments referred to the Government Loans addresses how a first-time adopters would account for a government loan with a below-market rate of interest when transitioning to IFRS and proposes to permit prospective application of IAS 20 requirements.	1-Jan-13
IFRS 7 Amendments (Offsetting Financial Assets and Financial Liabilities: Disclosures) 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-Jan-13
IFRS 9 (Financial Instruments and subsequent amendments) 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-15
IFRS 10 (Consolidated Financial Statements) 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 - Amendments (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 statement.	1-Jul-12
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)
IAS 19 - Amendments (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.	
IAS 32 - Amendments (Offsetting Financial Assets and Financial Liabilities)	1-Jan-14
IAS 32 is amended to refer to the IFRS 7 disclosure requirements in respect of offsetting arrangements.	
IFRIC 20 Interpretation (Stripping Costs in the Production Phase of a Surface Mine)	1-Jan-13
The Interpretation clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods.	

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

During the period ended at 31 March 2012, in line with best practice in the telecoms sector, the Group changed its accounting criteria for costs related to customers' loyalty contracts. To date, these were recorded as an expense in the year they occurred. From 1 January 2012, the costs incurred for customers' loyalty contracts, which include compensation clauses in the event of early termination, are capitalized as "Intangible Assets" and amortised over the period of their contracts. This change occurs because it is now possible to apply a reliable cost allocation to the respective contracts, as well as the revenue generated by each contract, thus fulfilling the criteria for capitalisation required by IAS 38 – intangible assets.

When a contract is terminated, the net value of intangible assets associated with this contract is immediately recognised as an expense in the income statement. This accounting policy allows a more true, fair and reliable presentation of the financial position and the financial performance of the Group, as it allows the alignment between the costs incurred with customer's loyalty contracts and the revenue generated.

Additionally, with the perceived relevant frequency, impairment tests will be made to ensure that the current value of the estimated revenues associated with each contract is greater than the amount that is capitalised.

As provided under IAS 8 - accounting policies, changes in accounting estimates and errors, the policy change was applied retrospectively. Therefore, on 1 January 2011, the Group recognized an intangible asset related to the amount of costs incurred with customers' loyalty contracts by that date, net of the respective amortisation and accumulated impairment losses. The consolidated income statement for 2011 has been adjusted to reflect: (1) the capitalization of costs incurred with customers' loyalty contracts and (ii) amortization and impairment losses of intangible assets recognized in the year and in the previous years. Consequently, changes were made in the consolidated balance sheets of 1 January 2011, 31 March 2011 and 31 December 2011, as well as in the consolidated Income statements (by nature) for the period ended 31 March 2011 and for the year ended on 31 December 2011, as follows:

Balance sheet at 1 January 2011

(Amounts expressed in euro)	Before the change	Effect of the change	Balance sheet restated
Assets			
Tangible assets	592,369,741	-	592,369,741
Intangible assets	272,896,942	18,009,890	290,906,832
Goodwill	526,141,552	-	526,141,552
Other assets	470,461,591	-	470,461,591
Total assets	1,861,869,826	18,009,890	1,879,879,716
Liabilities			
Non-current liabilities	400,708,481	4,772,621	405,481,102
Current liabilities	485,909,351	-	485,909,351
Total liabilities	886,617,832	4,772,621	891,390,453
Shareholders' funds excl. non-control. interests	974,658,204	13,237,269	987,895,473
Non-controlling interests	593,790	-	593,790
Total Shareholders' funds	975,251,994	13,237,269	988,489,263
Total Shareholders' funds and liabilities	1,861,869,826	18,009,890	1,879,879,716

Balance sheet at 31 March 2011

(Amounts expressed in euro)	Before the change	Effect of the change	Balance sheet restated
Assets			
Tangible assets	583,386,928	-	583,386,928
Intangible assets	268,953,495	18,012,797	286,966,292
Goodwill	526,111,722	-	526,111,722
Other assets	474,779,944	-	474,779,944
Total assets	1,853,232,089	18,012,797	1,871,244,886
Liabilities			
Non-current liabilities	454,132,834	4,773,391	458,906,225
Current liabilities	411,380,665	-	411,380,665
Total liabilities	865,513,499	4,773,391	870,286,890
Shareholders' funds excl. non-control. interests	987,224,925	13,239,406	1,000,464,331
Non-controlling interests	493,665	-	493,665
Total Shareholders' funds	987,718,590	13,239,406	1,000,957,996
Total Shareholders' funds and liabilities	1,853,232,089	18,012,797	1,871,244,886

Balance sheet at 31 December 2011

(Amounts expressed in euro)	Before the change	Effect of the change	Balance sheet restated
Assets			
Tangible assets	583,413,555	-	583,413,555
Intangible assets	371,429,260	17,692,622	389,121,882
Goodwill	521,103,723	-	521,103,723
Other assets	543,841,632	-	543,841,632
Total assets	2,019,788,170	17,692,622	2,037,480,792
Liabilities			
Non-current liabilities	437,209,135	4,688,545	441,897,680
Current liabilities	561,182,144	-	561,182,144
Total liabilities	998,391,279	4,688,545	1,003,079,824
Shareholders' funds excl. non-control. interests	1,020,881,237	13,004,077	1,033,885,314
Non-controlling interests	515,654	-	515,654
Total Shareholders' funds	1,021,396,891	13,004,077	1,034,400,968
Total Shareholders' funds and liabilities	2,019,788,170	17,692,622	2,037,480,792

Balance sheet at 31 March 2012

(Amounts expressed in euro)	Before the change	Effect of the change	Balance sheet restated
Assets			
Tangible assets	575,671,916	-	575,671,916
Intangible assets	367,899,788	17,508,831	385,408,619
Goodwill	521,103,723	-	521,103,723
Other assets	416,732,287	-	416,732,287
Total assets	1,881,407,714	17,508,831	1,898,916,545
Liabilities			
Non-current liabilities	395,947,927	3,329,423	399,277,350
Current liabilities	446,827,817	-	446,827,817
Total liabilities	842,775,744	3,329,423	846,105,167
Shareholders' funds excl. non-control. interests	1,038,262,742	14,179,408	1,052,442,150
Non-controlling interests	369,228	-	369,228
Total Shareholders' funds	1,038,631,970	14,179,408	1,052,811,378
Total Shareholders' funds and liabilities	1,881,407,714	17,508,831	1,898,916,545

Profit and loss statement at 31 December 2011

(Amounts expressed in euro)	Before the change	Effect of the change	Profit and loss stat. restated
Total revenue	872,443,700	-	872,443,700
Costs and losses			
External supplies and services	(442,250,912)	22,488,804	(419,762,108)
Depreciation and amortisation	(130,495,567)	(22,806,073)	(153,301,640)
Other operating costs	(217,207,048)	-	(217,207,048)
EBIT	82,490,173	(317,269)	82,172,904
Financial results	(8,892,067)	-	(8,892,067)
Income taxation	(11,039,716)	84,076	(10,955,640)
Consolidated net income / (loss)	62,558,390	(233,193)	62,325,197
Attributed to non-controlling interests	37,799	-	37,799
Attributed to shareholders of parent company	62,520,591	(233,193)	62,287,398
Earnings per share			
Including discontinued operations:			
Basic	0.18	0.00	0.17
Diluted	0.18	0.00	0.17
Excluding discontinued operations:			
Basic	0.18	0.00	0.17
Diluted	0.18	0.00	0.17

Profit and loss statement at 31 March 2011

(Amounts expressed in euro)	Before the change	Effect of the change	Profit and loss stat. restated
Total revenue	218,214,669	-	218,214,669
Costs and losses			
External supplies and services	(111,611,668)	5,450,711	(106,160,957)
Depreciation and amortisation	(30,225,069)	(5,447,804)	(35,672,873)
Other operating costs	(56,634,463)	-	(56,634,463)
EBIT	19,743,469	2,907	19,746,376
Financial results	(2,259,259)	-	(2,259,259)
Income taxation	(3,803,680)	(770)	(3,804,450)
Consolidated net income / (loss)	13,680,530	2,137	13,682,667
Attributed to non-controlling interests	27,130	-	27,130
Attributed to shareholders of parent company	13,653,400	2,137	13,655,537
Earnings per share			
Including discontinued operations:			
Basic	0.04	0.00	0.04
Diluted	0.04	0.00	0.04
Excluding discontinued operations:			
Basic	0.04	0.00	0.04
Diluted	0.04	0.00	0.04

Profit and loss statement at 31 March 2012

(Montantes expressos em Euros)	Antes da alteração	Efeitos da alteração	Demonstração de resultados reexpressa
Receitas totais	204,782,414	-	204,782,414
Custos e perdas			
Fornecimentos e serviços externos	(101,564,771)	5,394,946	(96,169,825)
Amortizações	(31,201,813)	(5,578,736)	(36,780,549)
Outros custos operacionais	(48,302,396)	-	(48,302,396)
Resultado antes de result. Financ. e impostos	23,713,434	(183,790)	23,529,644
Resultados financeiros	(2,308,504)	-	(2,308,504)
Imposto sobre o rendimento	(5,614,697)	1,359,121	(4,255,576)
Resultado líquido consolidado	15,790,233	1,175,331	16,965,564
Atribuível a interesses sem controlo	(11,977)	-	(11,977)
Atribuível a acionistas da empresa mãe	15,802,210	1,175,331	16,977,541
Resultados por ação			
Incluindo operações em descontinuação:			
Básicos	0.04	0.00	0.05
Diluídos	0.04	0.00	0.05
Excluindo operações em descontinuação:			
Básicos	0.04	0.00	0.05
Diluídos	0.04	0.00	0.05

The accounting policies and measurement criteria adopted by the Group on 31 March 2012 are comparable with those used in the preparation of 31 December 2011 financial statements, with the exception for the point mentioned above.

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 correspond to investments in which the Group has significant influence (generally investments representing between 20% and 50% of a company's share capital) and 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	10-40
Networks	10-40
Other plant and machinery	1-16
Vehicles	4
Fixtures and fittings	1-10
Tools	4-8
Other tangible assets	4-8

During the period ended at 31 March 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, UMTS and Spectrum for 4th generation services) 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) and the costs related to customers' loyalty contracts.

Amortisations of intangible assets 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.

The costs incurred for customers' loyalty contracts, which include compensation clauses in the event of early termination, are capitalized as "Intangible Assets" and amortised over the period of their contracts. When a contract is terminated, the net value of intangible assets associated with this contract is immediately recognised as an expense in the income statement. Additionally, with the perceived relevant frequency, impairment tests will be made to ensure that the current value of the estimated revenues is greater than the amount that is capitalised.

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'.

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:

(i) 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;
(ii) Forward's exchange rate for hedging foreign exchange risk, particularly from receipts from customers of subsidiary Wedo Consulting. The values and times periods involved are identical to the amounts invoiced and their maturities.

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 31 March 2012, the Group did not have any derivative, in addition to those mentioned in note 1.y).

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 under the caption 'Other operating revenues'.

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.

The costs attributable to current year and whose expenses will only occur in future years are estimated and recorded under the caption 'Other current liabilities' and 'Other non-current liabilities', when it is possible to estimate reliably the amount and the timing of occurrence of the expense. If there is uncertainty regarding both the date of disbursement of funds, and the amount of the obligation, the value is classified as Provisions (note 1.p)).

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 31 March 2012, Sonaecom, SGPS, S.A., have reserves which by their nature are considered distributable, amounted around Euro 176.8 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:

	2012		2011	
	31 March	Average	31 March	Average
Pounds Sterling	1.1992	1.1984	1.1316	1.1714
Brazilian Real	0.4111	0.4319	0.4337	0.4388
American Dollar	0.7487	0.7630	0.7039	0.7314
Polish Zloti	0.2408	0.2364	0.2493	0.2535
Australian Dollar	0.7791	0.8050	0.7280	0.7349
Mexican Peso	0.0588	0.0588	0.0591	0.0606
Egyptian Pound	0.1240	0.1259	0.1187	0.1239
Malaysian Ringgit	0.2444	0.2493	0.2327	0.2401
Chilean Peso	0.0015	0.0016	0.0015	0.0015
Singapore Dollar	0.5961	0.6034	0.5586	0.5727
Swiss Franc	0.8302	0.8278	0.7689	0.7770
Swedish Krona	0.1131	0.1130	-	-
South African Rand	0.0977	0.0983	-	-
Angolan Kwanza	0.0079	0.0080	-	-
Moroccan Dirham	0.0896	0.0898	-	-

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 31 March 2012, only one plan of Sonaecom share plans was 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 31 March 2012, two 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 31 March 2012 and 2011, 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 (note 1.o)).

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 31 March 2012 and 2011, are as follows:

				Percentage of share capital held			
				2012		2011	
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	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.	Sonae com 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.	Sonae com 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% -	54.15% 35.86% 9.00%	54.15% 35.86% 9.00%
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')	Maia	Editing, composition and publication of periodical and non-periodical material and the exploration of radio and TV stations and studios.	Sonaecom	100%	100%	100%	100%
Público – Comunicação Social, S.A. ('Público')	Maia	Editing, composition and publication of periodical and non-periodical material.	Sonaecom	100%	100%	100%	100%

* Sonaecom effective participation

(a) Company dissolved in October 2011

Company (Commercial brand)	Head office	Main activity	Shareholder	2012 Direct	2012 Effective*	2011 Direct	2011 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.	Sonae com SI	86.995%	86.995%	86.995%	86.995%
Sonaecom - Serviços Partilhados, S.A. ('Sonaecom SP') (b)	Maia	Support, management consulting and administration, particularly in the areas of accounting, taxation, administrative procedures, logistics, human resources and training.	Sonaecom	100%	100%	–	–
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 España, S.L. ("SSI Espanã")	Madrid	Rendering of consultancy services in the area of information systems.	Sonae com 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')	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%	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%	99.90%	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.	Sonae com 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%

Percentage of share capital held

* Sonaecom effective participation

(b) Company established in January 2012.

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 31 March 2012 and 2011, the Group jointly controls and consolidates through the proportional method the following companies:

				Percentage of share capital held			
				2012		2011	
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%
Sociedade Independente de Radiodifusão Sonora, S.A. ('S.I.R.S.' – using the brand name 'Rádio Nova') (a)	Oporto	Sound broadcasting. Radio station.	Público	45%	45%	-	-

*Sonaecom effective participation
(a) Company included in the consolidated financial statements in accordance with the equity method, in March 2011.

During the year ended at 31 December 2011, the consolidation of SIRS was changed from equity method to proportional method, considering the rights of governance attributed to Sonaecom under the company's shareholders agreements. This change did not have a significant impact on the consolidated financial statements at 31 December 2011 and at 31 March 2012.

At 31 March 2012 and 2011, the main impacts arising from the consolidation by the proportional method of the above mentioned entities, are as follows (debit / (credit)):

	2012	2011
Non-current assets	2,146,540	2,509,856
Current assets	1,078,501	789,750
Non-current liabilities	(1,888,338)	(2,285,263)
Current liabilities	(745,990)	(518,065)
Net result	(64,576)	(76,414)
Total revenues	(482,619)	(437,345)
Total costs	418,043	360,931

4. Investments in associated companies

At 31 March 2011, 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					
				2012		2011		Book value	
Company (Commercial brand)	Head office	Main activity	Shareholder	Direct	Effective*	Direct	Effective*	2012	2011
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%	(b)	(a)

*Sonaecom effective participation
(a) Investment recorded at a nil book value.
(b) Company jointly controled in 31 March 2012 (note 3).

At 31 March 2011 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 31 March 2011, the assets, liabilities, total revenues and net results of associated company were as follows:

Company	Assets	Liabilities	Total revenues	Net results
2011				
Sociedade Independente de Radiodifusão Sonora, S.A.	504,568	517,326	230,113	17,676

5. Changes in the Group

During the periods ended at 31 March 2012 and 2011, the following changes occurred in the composition of the Group:

a) Constitutions

Shareholder	Subsidiary	Date	Share capital	Current % shareholding
2012				
Sonaecom	Sonaecom SP	Jan-12	50,000 EUR	100.00%

6. Tangible assets

The movement in tangible assets and in the corresponding accumulated depreciation and impairment losses in the periods ended at 31 March 2012 and 2011 was as follows:

								2012
	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 2011	302,416,354	1,039,039,573	184,996	201,461,205	1,181,254	5,677,521	36,269,347	1,586,230,250
Additions	65,771	1,498,254	–	3,717,429	220	1,025	13,024,288	18,306,987
Disposals	(75,531)	(14,960,003)	–	(158,745)	–	(18,892)	–	(15,213,171)
Transfers and write-offs	2,838,813	8,796,132	–	157,320	419	28,731	(12,771,472)	(950,057)
Balance at 31 March 2012	305,245,407	1,034,373,956	184,996	205,177,209	1,181,893	5,688,385	36,522,163	1,588,374,009
Accumulated depreciation and impairment losses								
Balance at 31 December 2011	161,265,292	655,832,295	136,116	179,673,009	1,137,465	4,772,518	–	1,002,816,695
Depreciation for the period	2,572,374	14,281,883	8,192	4,452,520	3,104	120,894	–	21,438,967
Disposals	(24,466)	(11,387,647)	–	(132,514)	–	(5,117)	–	(11,549,744)
Transfers and write-offs	(419)	(2,345)	–	(1,061)	–	–	–	(3,825)
Balance at 31 March 2012	163,812,781	658,724,186	144,308	183,991,954	1,140,569	4,888,295	–	1,012,702,093
Net value	141,432,626	375,649,770	40,688	21,185,255	41,324	800,090	36,522,163	575,671,916

								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	293,165,987	1,035,279,721	185,510	191,447,203	1,164,237	5,543,321	40,982,832	1,567,768,811
Additions	24,397	1,321,664	–	3,261,930	7,675	–	14,151,577	18,767,243
Disposals	(39,509)	(41,418,086)	–	(3,101,835)	(2,096)	–	–	(44,561,526)
Transfers and write-offs	3,172,889	22,469,623	–	672,227	2,332	989	(30,231,740)	(3,913,680)
Balance at 31 March 2011	296,323,764	1,017,652,922	185,510	192,279,525	1,172,148	5,544,310	24,902,669	1,538,060,848
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 period	3,219,136	12,562,801	8,224	4,283,823	4,650	189,498	–	20,268,132
Disposals	(2,402)	(34,815,073)	–	(3,101,835)	(790)	–	–	(37,920,100)
Transfers and write-offs	(994,674)	(1,932,680)	–	(141,826)	(4,002)	–	–	(3,073,182)
Balance at 31 March 2011	155,811,222	623,383,017	111,740	170,064,141	1,123,925	4,179,875	–	954,673,920
Net value	140,512,542	394,269,905	73,770	22,215,384	48,223	1,364,435	24,902,669	583,386,928

The additions that occurred during the periods ended at 31 March 2012 and 2011 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), FTTH (Fibre-to-the-Home) and LTE (Long Term Evolution), some of which are associated with ongoing projects, so it remains registered in 'Work in progress'.

During the periods ended at 31 March 2012 and 2011, disposals include the sale of a set of assets related with 2G, 3G and Micro-Wave network.

The acquisition cost of 'Tangible assets' held by the Group under finance lease contracts, amounted to Euro 34,866,677 and Euro 30,541,539 as of 31 March 2012 and 2011, and their net book value as of those dates amounted to Euro 20,362,503 and Euro 17,514,106, respectively.

At 31 March 2012, the heading 'Tangible assets' included an amount of Euro 22.4 million (2011: Euro 19.5 million) that relates to the net book value of the telecommunications equipment delivered to customers, under free lease agreements with a pre-defined period, which are being amortised over the duration of their contracts.

At 31 March 2012 and 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.

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 31 March 2012 and 2011 were made up as follows:

	2012	2011
Development of mobile and fixed network	30,207,793	23,143,180
Information systems	2,495,594	76,451
Other projects in progress	3,818,776	1,683,038
	36,522,163	24,902,669

At 31 March 2012 and 2011, the amounts of commitments to third parties relating to investments to be made were as follows:

	2012	2011
Network	38,006,060	18,534,167
Information systems	1,101,275	1,593,282
	39,107,335	20,127,449

7. Intangible assets

In the periods ended at 31 March 2012 and 2011, the movement occurred in Intangible assets and in the corresponding accumulated amortisation and impairment losses, was as follows:

				2012
	Brands and patents and other rights	Software	Intangible assets in progress	Total
Gross assets				
Balance at 31 December 2011 (restated)	361,690,451	296,368,783	117,812,807	775,872,041
Additions	6,769,955	254,489	3,645,093	10,669,537
Disposals	–	–	–	–
Transfers and write-offs	(6,030,032)	6,376,540	(5,477,316)	(5,130,808)
Balance at 31 March 2012	362,430,374	302,999,812	115,980,584	781,410,770
Accumulated amortisation and impairment losses				
Balance at 31 December 2011 (restated)	153,193,021	233,557,139	–	386,750,160
Amortisation for the period	10,031,884	5,309,698	–	15,341,582
Disposals	–	–	–	–
Transfers and write-offs	(6,070,036)	(19,555)	–	(6,089,591)
Balance at 31 March 2012	157,154,869	238,847,282	–	396,002,151
Net value	205,275,505	64,152,530	115,980,584	385,408,619

				2011
	Brands and patents and other rights	Software	Intangible assets in progress	Total
Gross assets				
Balance at 31 December 2010 (restated)	359,491,468	264,381,328	16,085,854	639,958,650
Additions	6,587,747	177,901	3,950,670	10,716,318
Disposals	–	(14,858)	–	(14,858)
Transfers and write-offs	(13,021)	9,503,783	(8,818,818)	671,944
Balance at 31 March 2011 (restated)	366,066,194	274,048,154	11,217,706	651,332,054
Accumulated amortisation and impairment losses				
Balance at 31 December 2010 (restated)	137,409,894	211,641,924	–	349,051,818
Amortisation for the period	10,093,007	5,311,734	–	15,404,741
Disposals	–	(2,077)	–	(2,077)
Transfers and write-offs	(257)	(88,463)	–	(88,720)
Balance at 31 March 2011 (restated)	147,502,644	216,863,118	–	364,365,762
Net value	218,563,550	57,185,036	11,217,706	286,966,292

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 31 March 2012, 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 31 March 2012, all the responsibilities with such commitments are fully recorded in the attached consolidated financial statements.

At 31 March 2012 and 2011, the caption 'Brands and patents and other rights' includes the amount of Euro 92.3 million (2011: Euro 98.6 million) that correspond at the present value of the estimate responsibility with 'Initiatives E' project, recorded in June 2008 and updated in September 2009 and in December 2011 and the amount of Euro 17.5 million (2011: Euro 18.0 million) that corresponds to the costs incurred for customers' loyalty contracts (note 1.e)).

At 31 March 2012 and 2011, the Group kept recorded under the heading 'Intangible assets' the amounts of Euro 177,899,536 and Euro 188,847,655, respectively, that correspond to the investments net of depreciations made in the development of the UMTS network, including: (i) Euro 56,255,402 (2011: Euro 59,255,690) related to the license; (ii) Euro 18,796,992 (2011: Euro 19,799,499) related to the agreement signed in 2002 between Oni Way and the other three mobile telecommunication operators with activity in Portugal; (iii) Euro 5,773,124 (2011: Euro 6,081,024) 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 92,267,526 (2011: Euro 98,648,604) 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 31 March 2012, were mainly composed of the present value of the cost of acquiring the spectrum for 4th generation, in amount of Euro 110.4 million.

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 31 March 2012 and 2011, the total net amount of financial expenses capitalization amounted to Euro 10,279,410 and Euro 10,977,953, respectively. The amounts capitalised in the periods ended at 31 March 2012 and 2011 were Euro 1,056,285 and Euro 194,805, respectively. An interest capitalisation rate of 2.89% was used in 2012 (2.00% in 2011), which corresponds to the average interest rate supported by the Group.

8. Breakdown of financial instruments

At 31 March 2012 and 2011, the breakdown of financial instruments was as follows:

					2012
	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	107,408,958	–	107,408,958	–	107,408,958
Other current debtors	21,009,340	–	21,009,340	7,704,651	28,713,991
Cash and cash equivalents (note 12)	99,898,634	–	99,898,634	–	99,898,634
	228,316,932	–	228,316,932	7,704,651	236,021,583

					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	106,241,168	–	106,241,168	–	106,241,168
Other current debtors	22,765,846	–	22,765,846	42,554,538	65,320,384
Cash and cash equivalents (note 12)	100,808,101	–	100,808,101	–	100,808,101
	229,815,115	–	229,815,115	42,554,538	272,369,653

					2012
	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)	289,558,835	–	289,558,835	–	289,558,835
Other non-current financial liabilities (note 16)	–	19,852,885	19,852,885	–	19,852,885
Securitisation of receivables (note 18)	14,981,949	–	14,981,949	–	14,981,949
	304,540,784	19,852,885	324,393,669	–	324,393,669
Current liabilities					
Short-term loans and other loans (note 15)	143,325,091	–	143,325,091	–	143,325,091
Trade creditors	–	134,383,857	134,383,857	–	134,383,857
Other current financial liabilities (note 19)	–	2,945,208	2,945,208	–	2,945,208
Securitisation of receivables (note 18)	19,838,393	–	19,838,393	–	19,838,393
Other creditors	–	2,281,947	2,281,947	10,257,787	12,539,734
	163,163,484	139,611,012	302,774,496	10,257,787	313,032,283

					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)	363,173,473	–	363,173,473	–	363,173,473
Other non-current financial liabilities (note 16)	–	18,401,802	18,401,802	–	18,401,802
Securitisation of receivables (note 18)	34,809,214	–	34,809,214	–	34,809,214
	397,982,687	18,401,802	416,384,489	–	416,384,489
Current liabilities					
Short-term loans and other loans (note 15)	41,067,999	–	41,067,999	–	41,067,999
Trade creditors	–	146,563,075	146,563,075	–	146,563,075
Other current financial liabilities (note 19)	–	2,420,049	2,420,049	–	2,420,049
Securitisation of receivables (note 18)	19,679,793	–	19,679,793	–	19,679,793
Other creditors	–	2,825,704	2,825,704	16,794,837	19,620,541
	60,747,792	151,808,828	212,556,620	16,794,837	229,351,457

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', 'Other non-current assets', 'Other current liabilities' and 'Other non-current liabilities' and 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 31 March 2012 and 2011, the movements occurred in Goodwill were as follows:

	2012	2011
Opening balance	521,103,723	526,141,552
Movements of the year	–	(29,830)
Closing balance	521,103,723	526,111,722

For the periods ended at 31 March 2011, the caption 'Others' includes, mainly, the exchange rate update of the Goodwill.

Goodwill at 31 March 2012 and 2011 was made up as follows:

	2012	2011
Optimus	485,092,375	485,092,375
Público	15,000,000	20,000,000
Cape Technologies	17,476,354	17,476,354
We Do	1,971,668	1,971,668
Praesidium Services	1,183,662	1,118,841
Unipress	321,698	321,698
Per-Mar	47,253	47,253
Be Towering	10,713	10,713
SIRS	-	72,820
	521,103,723	526,111,722

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 around 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	9.50%
Multimedia	10.00%
Information Systems	11.50%

10. Investments available for sale

At 31 March 2012 and 2011, this caption included investments classified as available-for-sale and was made up as follows:

	%	2012	2011
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	5,000
Others	-	9,979	9,979
		212,323	212,323

During the periods ended at 31 March 2012 and 2011, the heading 'Investments available for sale' did not present any movements.

At 31 March 2012, 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)]	15,237	6,681	1,637	19,387	337	613
VISAPRESS - Gestão de Conteúdos dos Média, CRL [(1)]	22	(35)	-	53	(18)	(18)

[(1)] Amounts expressed in thousands euro at 31 December 2011.

11. Deferred taxes

Deferred tax assets at 31 March 2012 and 2011, amounted to Euro 99,271,674 and Euro 106,382,083, 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 31 March 2012 and 2011 were as follows:

	2012	2011
Opening balance	103,853,881	109,587,224
Impact on results:		
Movements of Deferred tax assets related with Tax losses of previous years	(115,820)	-
Deferred tax assets related to tax losses of previous years	-	3,561,317
Adjustments in the conversion to IAS/IFRS	(1,683,613)	(1,556,996)
Movements in provisions not accepted for tax purposes and tax benefits	540,720	-
Temporary differences resultant of UMTS license	(91,260)	(84,034)
Temporary net differences between the tax and the accounting amount of certain fixed assets	(2,469,150)	(4,339,394)
Temporary differences arising from the securitisation of receivables (Optimus)	(805,000)	(805,000)
Sub-total effect on results (note 22)	(4,624,123)	(3,224,107)
Others	41,916	18,966
Closing balance	99,271,674	106,382,083

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 31 March 2012, an amount of Euro 10.75 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 31 March 2012 and 2011, 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 31 March 2012 and 2011, in Portuguese companies, to calculate the deferred tax assets relating to tax losses carried forward was 25%. The rate used to calculate the temporary differences, including provisions not accepted and impairment losses, was 26.5%. Tax benefits, related to deductions from taxable income, are considered at 100%, and in some cases, their full acceptance is dependent on the approval of the authorities that concede such tax benefits. 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. For foreign companies was used the rate in force in each country.

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 31 March 2012 was as follows:

		Companies excluded of the tax group							
Nature	Companies included in the tax group	Digitmarket	Cape Technologies	We Do Brasil	We Do USA	Sonecom Sistemas de Informação Espanha	We Do Mexico	Total	Total Sonaecom Group
Tax losses:									
To be used until 2015	6,199,247	-	-	-	-	-	-	–	6,199,247
To be used until 2021	-	-	-	-	-	-	76,790	76,790	76,790
To be used until 2025	-	-	-	-	-	158,938	-	158,938	158,938
To be used until 2030	-	-	-	-	142,929	-	-	142,929	142,929
Unlimited utilisation	-	-	134,506	324,538	-	-	-	459,044	459,044
Tax losses	6,199,247	-	134,506	324,538	142,929	158,938	76,790	837,701	7,036,948
Tax provisions not accepted and other temporary differences	26,621,530	31,920	-	121,935	-	-	248,123	401,978	27,023,508
Tax benefits (SIFIDE)	3,536,742	-	-	-	-	-	-	-	3,536,742
Adjustments in the conversion to IAS/IFRS	18,519,162	579	-					579	18,519,741
Temporary differences arising from the securitisation of receivables	5,635,000	-	-	-	-	-	-	-	5,635,000
Differences between the tax and accounting amount of certain fixed assets and others	-	-	-	-	-	-	-	-	37,506,068
Others	-	-	-	(5,958)	5,933	-	13,692	13,667	13,667
Total	60,511,681	32,499	134,506	440,515	148,862	158,938	338,605	1,253,925	99,271,674

At 31 March 2012 and 2011, the Group has other situations where potential deferred tax assets could be recognised, but since it is not expected that sufficient taxable profits will be generated in the future to cover those losses, such deferred tax assets were not recorded:

	2012	2011
Tax losses	27,364,673	44,921,465
Temporary differences (provisions not accepted for tax purposes and other temporary diferences)	44,356,433	36,538,083
Others	12,386,796	10,643,352
	84,107,902	92,102,900

At 31 March 2012 and 2011, tax losses for which deferred tax assets were not recognised have the following due dates:

Due date	2012	2011
2011	–	4,456,587
2012	4,576,414	12,014,180
2013	13,847,153	13,878,056
2014	492,722	652,942
2015	4,396,373	6,305,886
2016	373,425	1,204,308
2017	156,996	1,771,661
2018	327,826	409,870
2019	51,352	1,453,372
2020	10,202	–
2021	66,903	–
2022	13,860	–
2027	32,918	–
Unlimited	3,018,529	2,774,603
	27,364,673	44,921,465

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 31 March 2012 and 2011 amounting to Euro 3,336,162 and Euro 5,529,885, respectively, result mainly from consolidation adjustments and from temporary differences between tax and accounting results of the tangible and intangible assets referred with the costs related to customers' loyalty contracts (note 1).

The movement that occurred in deferred tax liabilities in the periods ended at 31 March 2012 and 2011 were as follows:

	2012	2011 (restated)
Opening balance (restated)	(5,186,711)	(5,559,170)
Impact on results:		
Temporary differences between tax and accounting results of the tangible and intangible assets	1,359,734	29,285
Total impact on results (note 22)	1,359,734	29,285
Others	490,815	-
Closing balance	(3,336,162)	(5,529,885)

The reconciliation between the earnings before taxes and the taxes recorded for the periods ended at 31 March 2012 and 2011 is as follows:

	2012	2011 (restated)
Earnings before taxes	21,221,140	17,487,117
Income tax rate (25%)	(5,305,285)	(4,371,779)
Deferred tax assets not recognised in the individual accounts and / or resulting from consolidation adjustments and other adjustments to taxable income	(1,548,217)	(677,922)
Record/(reverse) of deferred tax assets related to previous years	732,922	850,000
Use of tax losses and tax benefits without record of deferred tax asset in previous years	2,165,974	-
Temporary differences for the year without record of deferred tax assets	(659,711)	-
Record of deferred tax liabilities	-	29,285
Temporary differences arising from the securitisation of receivables	450,000	450,000
Movements in the temporary differences between the tax and accounting amounts of the UMTS license	(91,260)	(84,034)
Income taxation recorded in the year (note 22)	(4,255,576)	(3,804,450)

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 2008 (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 31 March 2012.

12. Cash and cash equivalents

At 31 March 2012 and 2011, the detail of cash and cash equivalents was as follows:

	2012	2011
Cash	155,989	281,750
Bank deposits repayable on demand	4,400,949	6,986,351
Treasury applications	95,341,696	93,540,000
Cash and cash equivalents	99,898,634	100,808,101
Bank overdrafts (note 15)	(255,642)	(782)
	99,642,992	100,807,319

At 31 March 2012 and 2011, the 'Treasury applications' had the following breakdown:

	2012	2011
Sonae Investments BV	31,810,000	51,810,000
Bank applications	63,531,696	41,730,000
	95,341,696	93,540,000

During the period ended at 31 March 2012, the above mentioned treasury applications bear interests at an average rate of 3.20% (2.21% in 2011).

13. Share capital

At 31 March 2012 and 2011, 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:

	2012		2011	
	Number of shares	%	Number of shares	%
Sontel BV	194,063,119	52.99%	183,374,470	50.07%
Shares traded on the Portuguese Stock Exchange ('Free float')	80,761,848	22.05%	72,990,796	19.93%
Atlas Service Belgium	73,249,374	20.00%	73,249,374	20.00%
Millenium BCP	12,500,998	3.41%	12,500,998	3.41%
Own shares (note 14)	5,020,529	1.37%	9,058,807	2.47%
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%
Santander Asset Management*	–	–	3,732,774	1.02%
	366,246,868	100.00%	366,246,868	100.00%

*As it is not considered a qualified holding, the number of shares held by Santander Asset Management, based on the information disclosed on 16 February 2011, was include in the Free Float.

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 31 March 2012, Sonaecom delivered to its employees 4,746,942 own shares under its Short and Medium Term Incentive Plan (1,750,550 own shares during the period ended at 31 March 2011).

Additionally, during the period ended at 31 March 2012, Sonaecom acquired 722,271 shares (at an average price of Euro 1.223), holding at 31 March 2012, 5,020,529 own shares, representative of 1.37% of its share capital at the average acquisition cost of Euro 1.452.

15. Loans

At 31 March 2012 and 2011, 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	2012	2011
Sonaecom SGPS	'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
	Costs associated with financing set-up	–	–	–	(2,539,092)	(1,714,640)
	Interests incurred but not yet due	–	–	–	1,370,935	1,072,845
					288,831,843	219,358,205
Sonaecom SGPS	Commercial paper	150,000,000	Jul-12	–	–	143,000,000
	Costs associated with financing set-up	–	–	–	–	(209,652)
	Interests incurred but not yet due	–	–	–	–	234,439
					–	143,024,787
Unipress	Bank loan	–	Jun/Aug-13 and Jul-17	–	271,123	399,213
Saphety	Minority shareholder loans	–	–	–	455,870	391,268
					289,558,835	363,173,473

b) Short-term loans and other loans

					Amount outstanding	
Company	Issue denomination	Limit	Maturity	Type of reimbursement	2012	2011
Sonaecom SGPS	'Obrigações Sonaecom SGPS 2010'	30,000,000	Feb-13	Final	30,000,000	–
Sonaecom SGPS	Commercial paper	150,000,000	Jul-12	–	100,000,000	–
	Commercial paper	25,000,000	Apr-12	–	13,000,000	16,000,000
	Commercial paper	40,000,000	May-11	–	–	20,000,000
	Commercial paper	15,000,000	Jun-12	–	–	5,000,000
	Costs associated with financing set-up	–	–	–	(188,694)	–
	Interests incurred but not yet due	–	–	–	258,143	67,217
					113,069,449	41,067,217
Several	Bank overdrafts (note 12)	–	–	–	255,642	782
					143,325,091	41,067,999

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 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 organised 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 3.52% (2.46% in 2011).

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 other Commercial Paper Programmes, with subscription guarantee, with the following characteristics:

Amount	Hire date	Subscription guarantee	Maturity
Euro 25 million	April 2010	Bankia (representative in Portugal)	23-Apr-12
Euro 5 million	April 2010	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

* It can also be used as bank overdraft.

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.

On 31 March 2012, the main financial constraints (covenants) included in debt contracts are related with the bond issue completed by Sonaecom during September 2011, totaling 100 million euros and establishing: (i) the requirement for Sonaecom, Optimus, Artis and Sonae Telecom, as well as the group companies whose both assets and EBITDA are equal or greater than 15% of the consolidated assets and the consolidated EBITDA (material subsidiaries) represent, as a whole, at least 80% of Sonaecom consolidated assets and consolidated EBITDA, and: (ii) the obligation to ensure that consolidated net debt does not exceed three times the consolidated EBITDA. Additionally, both this loan, as well as other loans are covered by Sonaecom negative pledge clauses, which impose certain restrictions on the mortgaging or pledging of the material subsidiaries' tangible assets and require the upholding of control over Optimus. The penalties applicable in the event of default in these covenants are generally the early payment of the loans obtained.

On 31 March 2012, Sonaecom was fully compliant with all the financial constraints above mentioned.

Bank credit lines of short-term portion

Sonaecom has also short term bank credit lines, 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 31 March 2012 and 2011, 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):

	March 2013	March 2014	March 2015	March 2016	March 2017
2012					
Bond loan:					
Reimbursements	–	150,000,000	140,000,000	–	–
Interests	9,439,500	6,471,505	5,503,397	–	–
Commercial paper:					
Reimbursements	–	–	–	–	–
Interests	–	–	–	–	–
	9,439,500	156,471,505	145,503,397	–	–
2011					
Bond loan:					
Reimbursements	–	30,000,000	150,000,000	40,000,000	–
Interests	5,580,447	5,416,485	2,119,844	1,383,189	–
Commercial paper:					
Reimbursements	–	143,000,000	–	–	–
Interests	1,887,627	624,052	–	–	–
	7,468,074	179,040,537	152,119,844	41,383,189	-

Although the maturity of commercial paper issuance is between one week to 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 31 March 2011.

Minority Shareholder loans have no maturity defined.

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At 31 March 2012 and 2011, 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
2012						
Sonaecom	Commercial paper	150,000,000	100,000,000	50,000,000	x	
Sonaecom	Commercial paper	30,000,000	13,000,000	17,000,000	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	40,000,000	40,000,000	-		x
Sonaecom	Bond loan	30,000,000	30,000,000	-	x	
Sonaecom	Bond loan	100,000,000	100,000,000	-		x
Sonaecom	Overdraft facilities	16,500,000	-	16,500,000	x	
Sonaecom	Authorised overdrafts	2,500,000	-	2,500,000	x	
Saphety	Authorised overdrafts	219,030	-	202,068	x	
SIRS	Authorised overdrafts	150,000	-	150,000	x	
Others	Several	-	255,642	-	x	
		544,369,030	433,255,642	111,352,068		
2011						
Sonaecom	Commercial paper	150,000,000	143,000,000	7,000,000		x
Sonaecom	Commercial paper	40,000,000	20,000,000	20,000,000	x	
Sonaecom	Commercial paper	30,000,000	16,000,000	14,000,000	x	
Sonaecom	Commercial paper	15,000,000	5,000,000	10,000,000	x	
Sonaecom	Commercial paper	10,000,000	–	10,000,000	x	
Sonaecom	Bond loan	150,000,000	150,000,000	–		x
Sonaecom	Bond loan	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	
Others	Several	-	782	-	x	
		484,000,000	404,000,782	80,000,000		

At 31 March 2012 and 2011, there are no interest rate hedging instruments therefore the total gross debit is exposed to changes in market interest rates.

16. Other non-current financial liabilities

At 31 March 2012 and 2011, 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 19,852,885 and Euro 18,401,802, respectively.

At 31 March 2012 and 2011, the payment of these amounts was due as follows:

	2012		2011	
	Lease payments	Present value of lease payments	Lease payments	Present value of lease payments
2011	–	–	2,764,057	1,929,311
2012	2,789,323	2,178,702	3,074,257	2,225,603
2013	4,173,743	3,214,108	2,861,485	2,107,896
2014	3,258,098	2,436,404	2,025,951	1,349,567
2015	3,188,979	2,489,851	2,047,842	1,428,791
2016 onwards	15,231,952	12,479,028	14,351,553	11,780,683
	28,642,095	22,798,093	27,125,146	20,821,851
Interests	(5,844,002)	–	(6,303,294)	–
	22,798,093	22,798,093	20,821,851	20,821,851
Short-term liability (note 19)	–	(2,945,208)	–	(2,420,049)
	22,798,093	19,852,885	20,821,851	18,401,802

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 31 March 2012 and 2011 were as follows:

	Opening balance	Increases	Utilisations	Decreases	Closing balance
2012					
Accumulated impairment losses on accounts receivables	78,700,909	5,719,984	(12,336,050)	(18,075)	72,066,768
Accumulated impairment losses on inventories	12,801,233	288,613	(119,438)	–	12,970,408
Provisions for other liabilities and charges	48,549,956	914,013	(1,973,712)	(6,124)	47,484,133
	140,052,098	6,922,610	(14,429,200)	(24,199)	132,521,309
2011					
Accumulated impairment losses on accounts receivables	70,410,631	5,256,962	(9,177,121)	(186,936)	66,303,536
Accumulated impairment losses on inventories	14,930,606	993,438	(78,885)	–	15,845,159
Provisions for other liabilities and charges	33,150,028	640,422	(146,239)	(11,715)	33,632,496
	118,491,265	6,890,822	(9,402,245)	(198,651)	115,781,191

The increase of 'Provisions for other liabilities and charges' includes the amount of Euro 432,739 (26,220 in 2011) related to the dismantling of sites, as foreseen in IAS 16 (note 1.d.)), and the amount of Euro 531,402 (287,466 in 2011) recorded in the profit and loss statement, under the caption 'Income taxation' (note 22).

The reinforcement on 'Accumulated Impairment losses on Inventories' is recorded, 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 5,669,856 (2011: Euro 5,583,698).

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.

The decreases are recorded in the profit and loss statement, under the caption 'Other operating revenues'.

At 31 March 2012 and 2011, the breakdown of the provisions for other liabilities and charges is as follows:

	2012	2011
Dismantling of sites	23,296,940	22,755,301
Several contingencies	3,704,502	2,867,913
Legal processes in progress	3,185,629	2,577,284
Indemnities	742,151	721,002
Other responsibilities	16,554,911	4,710,996
	47,484,133	33,632,496

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.

The heading 'Other responsibilities' corresponds to the value of costs charged to the current period or previous years, for which it is not possible to estimate reliably the time of occurrence of the expense (note 1.s)), in the amount of circa Euro 13 million, which includes the amount of Euro 6.8 million related to the dispute concerning the vagueness of the interconnection tariffs of 2001.

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 19,838,393) was registered in current liabilities and the remainder, amounting to Euro 14,981,949, 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 31 March 2012 and 2011, the amount recorded in 'Securitisation of receivables' has the following maturity:

	N+1	N+2	N+3	N+4	N+5	Total
2012						
Securitisation of receivables	19,838,393	14,981,949	–	–	–	34,820,342
2011						
Securitisation of receivables	19,679,793	19,829,725	14,979,489	–	–	54,489,007

19. Other current financial liabilities

At 31 March 2012, this caption includes the amount of Euro 2,945,208 (2011: Euro 2,420,049) 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 31 March 2012 and 2011 had the following composition:

	2012	2011 (restated)
Interconnection costs	45,089,306	46,622,922
Specialised works	11,193,807	13,817,353
Rents	8,867,530	8,863,583
Other subcontracts	6,773,062	6,999,226
Commissions	4,554,012	5,549,873
Advertising and promotion	4,480,164	7,103,485
Leased lines	2,888,863	5,194,739
Energy	2,569,193	2,450,711
Maintenance and repairs	1,544,969	1,703,074
Communications	1,225,320	1,337,288
Travelling costs	1,213,838	1,180,806
Fees	659,335	1,033,226
Others	5,110,426	4,304,671
	96,169,825	106,160,957

The commitments assumed by the Group at 31 March 2012 and 2011 related to operational leases are as follows:

	2012	2011
Minimum payments of operational leases:		
2011	–	36,278,796
2012	28,701,991	43,919,422
2013	34,517,982	40,861,952
2014	31,662,992	38,681,802
2015	29,382,974	34,502,163
2016	25,738,102	32,696,183
2017	23,393,223	–
2018 onwards	33,101,264	32,521,116
Renewable by periods of one year	3,050,171	2,909,866
	209,548,699	262,371,300

During the period ended at 31 March 2012, an amount of Euro 10,982,777 (2011: Euro 12,200,271) 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 31 March 2012 and 2011 were made up as follows:

	2012	2011
Financial expenses:		
Interest expenses:	(3,664,102)	(3,277,227)
Bank loans	(2,695,478)	(2,109,210)
Securitisation interests (note 18)	(551,197)	(783,653)
Leasing	(223,399)	(243,072)
Other interests	(194,028)	(141,292)
Foreign exchange losses	(561,349)	(265,380)
Other financial expenses	(240,227)	(197,517)
	(4,465,678)	(3,740,124)
Financial income:		
Interest income	1,710,354	1,395,820
Foreign exchange gains	446,727	83,312
Others financial gains	93	1,733
	2,157,174	1,480,865

During the periods ended at 31 March 2012 and 2011, 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 31 March 2012 and 2011 were made up as follows ((costs) / gains):

	2012	2011 (restated)
Current tax	(459,785)	(322,162)
Tax provision net of reduction (note 17)	(531,402)	(287,466)
Deferred tax assets (note 11)	(4,624,123)	(3,224,107)
Deferred tax liabilities (note 11)	1,359,734	29,285
	(4,255,576)	(3,804,450)

23. Related parties

During the periods ended at 31 March 2012 and 2011, 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 31 March 2012 and 2011 were as follows:

	Balances at 31 March 2012			
	Accounts receivable	Accounts payable	Treasury applications (note 12)	Other assets / (liabilities)
Sonae SGPS	20,939	–	–	5,617
Modelo Continente Hipermercados, S.A.	957,927	642,292	–	(477,355)
Worten	2,322,444	–	–	(524,682)
Sonaecenter II	832,795	330,990	–	(73,705)
Sierra Portugal	1,037,284	29,686	–	(508,119)
Raso Viagens	96,798	268,462	–	(90,287)
Sonae Investments BV	–	–	31,810,000	4,959
France Télécom	1,761,098	1,954,613	–	(3,708,654)
	7,029,285	3,226,043	31,810,000	(5,372,226)

	Balances at 31 March 2011			
	Accounts receivable	Accounts payable	Treasury applications (note 12)	Other assets / (liabilities)
Sonae SGPS	34,364	3,552	–	5,817
Modelo Continente Hipermercados, S.A.	1,297,637	1,796,650	–	(457,556)
Worten	1,031,708	–	–	(415,097)
Sonaecenter II	1,351,363	452,163	–	10,798
Sierra Portugal	1,555,078	140,073	–	58,702
Raso Viagens	148,232	214,342	–	(157,259)
Sonae Investments BV	–	–	51,810,000	9,157
France Télécom	–	1,281,101	–	(4,517,090)
	5,418,382	3,887,881	51,810,000	(5,462,528)

	Transactions at 31 March 2012			
	Sales and services rendered	Supplies and services received	Interest and similar income / (expense)	Supplementary income
Sonae SGPS	(5,970)	4,500	119,568	–
Modelo Continente Hipermercados, S.A.	1,676,019	623,454	–	112,143
Worten	241,407	484,566	–	–
Sonaecenter II	1,733,776	235,496	–	–
Sierra Portugal	1,384,667	238,007	–	(57)
Raso Viagens	72,675	456,179	–	–
Sonae Investments BV	–	–	304,031	–
France Télécom	3,222,602	3,532,357	–	–
	8,325,176	5,574,559	423,599	112,086

	Transactions at 31 March 2011			
	Sales and services rendered	Supplies and services received	Interest and similar income / (expense)	Supplementary income
Sonae SGPS	23,892	50,000	–	–
Modelo Continente Hipermercados, S.A.	189,350	99,035	–	88,729
Worten	(134,895)	732,756	–	3,810
Sonaecenter II	2,087,080	156,060	–	–
Sierra Portugal	1,637,224	491,734	–	5,223
Raso Viagens	118,633	553,878	–	–
Sonae Investimentos, SGPS, S.A.	–	–	–	–
Sonae Investments BV	–	–	419,386	–
France Télécom	3,344,310	2,511,392	–	–
	7,265,594	4,594,855	419,386	97,762

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 31 March 2012 and 2011, 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 31 March 2012 and 2011 were as follows:

Company	Beneficiary	Description	2012	2011
Optimus	ICP - ANACOM	Acquisition of Spectrum for 4th generation	30,000,000	-
Optimus and Sonaecom	Direção de Contribuições e Impostos (Portuguese tax authorities)	VAT Reimbursements	9,311,818	9,392,527
Optimus	Direção de Contribuições e Impostos (Portuguese tax authorities)	IRC – Tax assessment	4,039,639	1,711,219
Sonaecom	Direção de Contribuições e Impostos (Portuguese tax authorities)	Tax audit 2005	754,368	754,368
We Do, WeDo Egipto and WeDo México	AD Makedonski, Digi Telecommunications, Emirates Telecom. Corp., Pak Telecom, Scotiabank De Costa Rica, Sirilanka Telecom, Telcel and Oman Telecommunications	Completion of work to be done	587,597	1,415,765
Optimus	Turismo do Porto e Norte (Oporto and North Tourism Department)	Tenders	480,000	-
We Do, Saphety and Digitmarket	IAPMEI (Institute of Support to Small and Medium Enterprises and Investment)	'HERMES' project – QREN	417,797	436,822
Optimus	Direção Geral do Tesouro (Portuguese tax authorities)	IRC – Witholding tax on payments to non-residents		307,348
			306,954	
Optimus	Câmara Municipal de Coimbra, Lisboa, Elvas, Mealhada, Barcelos, Loures, Oeiras, Sinta, Chaves and Covil (Coimbra, Lisboa, Elvas, Mealhada, Barcelos, Loures, Oeiras, Sinta, Chaves and Covil Municipalities)	Performance bond – works	241,142	289,781
Optimus	Governo Civil de Lisboa (Lisbon Government Civil)	Guarantee the sweepstakes plan complete fulfilment	104,650	-
Optimus and Publico	Direção de Contribuições e Impostos (Portuguese tax authorities)	VAT – Impugnation process	18,000	598,000
Público	Tribunal de Trabalho de Lisboa (Lisbon Labour Court)	Execution action n. 199A/92	-	271,511
Several	Others		1,114,919	762,313
			47,376,883	15,939,654

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

At 31 March 2012 and 2011, 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 31 March 2012 and 2011:

– 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 31 March 2012 and 2011 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 31 March 2012 and 2011, 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	
	March 2012	March 2011 (restated)	March 2012	March 2011 (restated)	March 2012	March 2011 (restated)	March 2012	March 2011 (restated)	March 2012	March 2011 (restated)	March 2012	March 2011 (restated)	March 2012	March 2011 (restated)	March 2012	March 2011 (restated)
Revenues:																
Sales and services rendered	176,713,211	182,765,266	4,971,004	6,536,132	24,224,943	32,951,597	964,421	867,789	-	55,200	206,873,579	223,175,984	(4,422,066)	(7,344,019)	202,451,513	215,831,965
Other operating revenues	2,632,171	3,182,965	69,631	96,274	531,869	163,071	30,884	4,688	-	-	3,264,555	3,446,998	(933,654)	(1,064,294)	2,330,901	2,382,704
Total revenues	179,345,382	185,948,231	5,040,635	6,632,406	24,756,812	33,114,668	995,305	872,477	-	55,200	210,138,134	226,622,982	(5,355,720)	(8,408,313)	204,782,414	218,214,669
Depreciation and amortisation	(33,617,798)	(34,408,475)	(262,114)	(307,057)	(1,337,828)	(1,221,523)	(17,253)	(19,344)	-	(7,652)	(35,234,993)	(35,964,051)	(1,545,556)	291,178	(36,780,549)	(35,672,873)
Net operating income / (loss) for the segment	24,788,134	20,487,736	(1,058,540)	(1,096,381)	1,068,166	695,321	(229,183)	(506,583)	-	20,283	24,568,577	19,600,376	(1,038,933)	146,000	23,529,644	19,746,376
Net interests	(773,598)	(3,261,358)	(74,537)	(33,799)	(159,261)	(178,589)	(247,659)	1,735,377	-	(13,840)	(1,255,055)	(1,752,209)	(698,693)	(129,198)	(1,953,748)	(1,881,407)
Other financial results	(141,569)	(77,416)	(3,035)	(2,570)	(137,829)	(228,199)	85,606,090	(456,153)	-	(40)	85,323,657	(764,378)	(85,678,413)	386,526	(354,756)	(377,852)
Consolidated EBT for the quarter	23,872,967	17,148,961	(1,136,112)	(1,132,750)	771,076	288,533	85,129,248	772,641	-	6,403	108,637,179	17,083,788	(87,416,039)	403,329	21,221,140	17,487,117
Assets:																
Tangible and intangible assets and goodwill	961,699,506	865,153,593	3,994,662	4,134,226	67,660,069	69,099,202	346,439	417,949	-	3,244	1,033,700,676	938,808,214	448,483,582	457,656,728	1,482,184,258	1,396,464,942
Inventories	5,408,757	18,970,083	693,388	750,016	757,709	151,234	-	-	-	-	6,859,854	19,871,333	-	-	6,859,854	19,871,333
Financial investments	-	1,282,025	209,829	441,509	2,494	2,494	1,127,542,297	1,132,033,850	-	-	1,127,754,620	1,133,759,878	(1,127,542,297)	(1,133,547,555)	212,323	212,323
Other non-current assets	90,339,078	108,703,928	3,570	-	8,588,992	1,243,869	493,466,257	549,680,752	-	1,562,327	592,397,897	661,190,876	(492,824,055)	(554,600,492)	99,573,842	106,590,384
Other current assets of the segment	224,830,266	295,594,074	7,974,232	14,867,762	43,473,954	52,367,615	164,124,069	73,079,115	-	121,063	440,402,522	436,029,629	(130,316,254)	(87,923,725)	310,086,268	348,105,904
Liabilities:																
Liabilities of the segment	676,326,894	795,180,406	18,495,738	24,637,011	80,092,698	68,851,797	433,989,875	471,982,574	-	1,526,494	1,208,905,206	1,362,178,282	(362,800,039)	(491,891,392)	846,105,167	870,286,890
CAPEX	25,484,700	22,805,223	131,071	107,369	766,204	859,242	50,360	15,150,000	-	3,381	26,432,335	38,925,215	(868,533)	(15,381,332)	25,563,802	23,543,883

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	
	March 2012	March 2011 (restated)	March 2012	March 2011 (restated)	March 2012	March 2011 (restated)	March 2012	March 2011 (restated)
Income:								
Sales and services rendered	131,473,954	137,409,837	53,400,503	54,677,194	(8,161,246)	(9,321,765)	176,713,211	182,765,266
Other operating revenues	6,806,116	8,707,376	174,626	99,237	(4,348,571)	(5,623,648)	2,632,171	3,182,965
Total revenues	138,280,070	146,117,213	53,575,129	54,776,431	(12,509,817)	(14,945,413)	179,345,382	185,948,231
Depreciation and amortisation	(25,419,275)	(25,125,086)	(8,137,330)	(9,243,449)	(61,193)	(39,940)	(33,617,798)	(34,408,475)
Operational results of the segments	29,937,773	27,284,099	(5,080,840)	(6,790,978)	(68,799)	(5,385)	24,788,134	20,487,736
Assets:								
Tangible assets and goodwill	841,383,826	701,711,912	120,315,680	150,879,596	-	-	961,699,506	852,591,507
Inventories	4,568,006	17,862,790	840,751	1,107,293	-	-	5,408,757	18,970,083
Financial investments	-	1,282,025	-	-	-	-	-	1,282,025
CAPEX	19,819,973	17,105,846	4,253,700	5,632,443	1,411,027	66,934	25,484,700	22,805,223

During the periods ended at 31 March 2012 and 2011, the inter-segments sales and services were as follows:

	Telecommunications	Multimedia	Information Systems	Holding Activities	Others
2012					
Telecommunications	-	-	2,804,540	826,779	-
Multimedia	256,163	-	8,157	42,892	-
Information Systems	355,953	15,025	-	88,800	-
Holding Activities	21,478	1,391	888	-	-
Sonaecom others	-	-	-	-	-
Others	176,079,617	4,954,588	21,411,358	5,950	-
	176,713,211	4,971,004	24,224,943	964,421	-
2011					
Telecommunications	-	-	5,616,319	864,933	55,200
Multimedia	330,825	-	49,342	1,428	-
Information Systems	369,392	21,500	-	1,428	-
Holding Activities	17,211	900	15,189	-	-
Sonaecom others	352	-	-	-	-
Others	182,047,486	6,513,732	27,270,747	-	-
	182,765,266	6,536,132	32,951,597	867,789	55,200

26. Earnings per share

Earnings per share, basic and diluted, are calculated by dividing the consolidated net income attributable to the Group (Euro 16,977,541 in 2012 and Euro 13,655,537 in 2011) by the average number of shares outstanding during the periods ended at 31 March 2012 and 2011, net of own shares (358,543,225 in 2012 and 357,056,361 in 2011).

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 31 March 2012 can be summarised as follows:

	Vesting period			31 March 2012	
	Share price at award date*	Award date	Vesting date	Aggregate number of participations	Number of options / shares
Sonaecom shares					
2008 Plan	1.171	10-Mar-09	09-Mar-12	-	-
2009 Plan	1.685	10-Mar-10	08-Mar-13	387	2,439,263
2010 Plan	1.399	10-Mar-11	10-Mar-14	381	2,903,840
2011 Plan	1.256	09-Mar-12	09-Mar-15	378	2,989,375
Sonae SGPS shares					
2008 Plan	0.616	10-Mar-09	09-Mar-12	-	-
2009 Plan	0.761	10-Mar-10	08-Mar-13	4	314,954
2010 Plan	0.811	10-Mar-11	10-Mar-14	8	379,903
2011 Plan	0.458	09-Mar-12	09-Mar-15	8	613,877

*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 31 March 2012, 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 2011:				
Unvested	1,155	8,892,470	16	1,100,633
Total	1,155	8,892,470	16	1,100,633
Movements in the year:				
Awarded	378	2,989,375	8	613,877
Vested	(380)	(3,761,450)	(4)	(405,776)
Cancelled / elapsed/transfers (1)	(7)	212,083	-	-
Outstanding at 31 March 2012:				
Unvested	1,146	8,332,478	20	1,308,734
Total	1,146	8,332,478	20	1,308,734

(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 4,278,602 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 31 March 2012, were as follows:

	Amount
Costs recognised in previous years	31,075,127
Costs recognised in the period	1,362,094
Costs of plans vested in previous year	(23,313,389)
Costs of plans vested in the period	(4,385,289)
Total cost of the plans	4,738,542
Recorded in 'Other current liabilities'	219,459
Recorded in 'Other non-current liabilities'	240,481
Recorded in reserves	4,278,602

28. Other matters

At 31 March 2012, 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 'Provisions and accumulated impairment losses' 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 at 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 3 May 2012, being its conviction that these will be approved at Shareholders General Meeting without any changes.

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	Christine Cross
Álvaro Cuervo Garcia	José Manuel Neves Adelino
Belmiro de Azevedo	Michel Marie Bon
Bernd Hubert Joachim Bothe	

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.	Cinclus Imobiliária, S.A.
ARP Alverca Retail Park,SA	Citorres – Sociedade Imobiliária, S.A.
Arrábidashopping – Centro Comercial, S.A.	Coimbrashopping – Centro Comercial, S.A.
Aserraderos de Cuellar, S.A.	Colombo Towers Holding, BV
Atlantic Ferries – Tráf.Loc,Flu.e Marít, S.A.	Contacto Concessões, SGPS, S.A.
Avenida M – 40 B.V.	Contibomba – Comérc.Distr.Combustiveis, S.A.

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	HighDome PCC Limited
Discovery Sports, SA	Iberian Assets, S.A.
Dortmund Tower GmbH	Igimo – Sociedade Imobiliária, S.A.
Dos Mares – Shopping Centre B.V.	Iginha – Sociedade Imobiliária, S.A.
Dos Mares – Shopping Centre, S.A.	Imoareia – Invest. Turísticos, SGPS, S.A.
Ecociclo – Energia e Ambiente, S.A.	Imobiliária da Cacela, S.A.
Ecociclo II	Imoclub – Serviços Imobilários, S.A.
Edições Book.it, S.A.	Imoconti – Soc.Imobiliária, S.A.
Edificios Saudáveis Consultores, S.A.	Imodivor – Sociedade Imobiliária, S.A.
Efanor Investimentos, SGPS, S.A.	Imoestrutura – Soc.Imobiliária, S.A.
Efanor Serviços de Apoio à Gestão, S.A.	Imoferro – Soc.Imobiliária, S.A.
El Rosal Shopping, S.A.	Imohotel – Emp.Turist.Imobiliários, S.A.
Emfísico Boavista	Imomuro – Sociedade Imobiliária, S.A.
Empreend.Imob.Quinta da Azenha, S.A.	Imopenínsula – Sociedade Imobiliária, S.A.
Equador & Mendes, Lda	Imoplamac Gestão de Imóveis, S.A.
Espimaia – Sociedade Imobiliária, S.A.	Imoponte – Soc.Imobiliaria, S.A.
Estação Viana – Centro Comercial, S.A.	Imoresort – Sociedade Imobiliária, S.A.
Estêvão Neves – Hipermercados Madeira, S.A.	Imoresultado – Soc.Imobiliaria, S.A.
Euroresinas – Indústrias Quimicas, S.A.	Imosedas – Imobiliária e Seviços, S.A.
Farmácia Selecção, S.A.	Imosistema – Sociedade Imobiliária, S.A.
Fashion Division Canárias, SL	Imosonae II
Fashion Division, S.A.	Impaper Europe GmbH & Co. KG
Fontana Corretora de Seguros Ltda	Implantação – Imobiliária, S.A.
Fozimo – Sociedade Imobiliária, S.A.	Infofield – Informática, S.A.
Fozmassimo – Sociedade Imobiliária, S.A.	Infratroia, EM
Freccia Rossa – Shopping Centre S.r.l.	Inparsa – Gestão Galeria Comercial, S.A.
Frieengineering International Ltda	Inparvi SGPS, S.A.
Fundo de Invest. Imobiliário Imosede	Integrum - Energia, SA
Fundo I.I. Parque Dom Pedro Shop.Center	Integrum Colombo Energia, S.A.
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
Glunz AG	La Farga – Shopping Center, SL

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
Marina de Tróia S.A.	Pátio Goiânia Shopping Ltda
Marinamagic – Expl.Cent.Lúdicos Marít, Lda	Pátio Londrina Empreend. e Particip. Ltda
Marmagno – Expl.Hoteleira Imob., S.A.	Pátio Penha Shopping Ltda.
Martimope – Sociedade Imobiliária, S.A.	Pátio São Bernardo Shopping Ltda
Marvero – Expl.Hoteleira Imob., S.A.	Pátio Sertório Shopping Ltda
MDS Affinity - Sociedade de Mediação, Lda	Pátio Uberlândia Shopping Ltda
MDS Consultores, S.A.	Peixes do Continente – Ind.Dist.Peixes, S.A.
MDS Corretor de Seguros, S.A.	Pharmaconcept – Actividades em Saúde, S.A.
MDS Malta Holding Limited	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.
Norscut – Concessionária de Scut Interior Norte, S.A.	Prédios Privados Imobiliária, S.A.

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,SGPS, S.A.
Project Sierra 2 B.V.	Selifa – Empreendimentos Imobiliários, S.A.
Project Sierra 6 BV	Sempre à Mão – Sociedade Imobiliária, S.A.
Project Sierra 7 BV	Sempre a Postos – Produtos Alimentares e Utilidades, Lda
Project Sierra 8 BV	SERENITAS-SOC.MEDIAÇÃO SEG.LDA
Project Sierra 9 BV	Serra Shopping – Centro Comercial, S.A.
Project Sierra Brazil 1 B.V.	Sesagest – Proj.Gestão Imobiliária, S.A.
Project Sierra Charagionis 1 S.A.	Sete e Meio – Invest. Consultadoria, S.A.
Project Sierra Four, SA	Sete e Meio Herdades – Inv. Agr. e Tur., S.A.
Project Sierra Germany Shop. Center 1 BV	Shopping Centre Parque Principado B.V.
Project Sierra Germany Shop. Center 2 BV	Shopping Penha B.V.
Project Sierra Spain 1 B.V.	Siaf – Soc.Iniciat.Aprov.Florestais - Energia, S.A.
Project Sierra Spain 2 – Centro Comer. S.A.	SIAL Participações Ltda
Project Sierra Spain 2 B.V.	Sierra Asset Management – Gest. Activos, S.A.
Project Sierra Spain 3 – Centro Comer. S.A.	Sierra Berlin Holding BV
Project Sierra Spain 3 B.V.	Sierra Central S.A.S
Project Sierra Spain 6 B.V.	Sierra Charagionis Develop.Sh. Centre S.A.
Project Sierra Spain 7 – Centro Comer. S.A.	Sierra Charagionis Propert.Management S.A.
Project Sierra Spain 7 B.V.	Sierra Corporate Services – Ap.Gestão, S.A.
Project Sierra Three Srl	Sierra Corporate Services Holland, BV
Project Sierra Two Srl	Sierra Develop.Iberia 1, Prom.Imob., S.A.
Promessa Sociedade Imobiliária, S.A.	Sierra Development of Shopping Centres Greece, S.A.
Prosa – Produtos e serviços agrícolas, S.A.	Sierra Developments – Serv. Prom.Imob., S.A.
Puravida – Viagens e Turismo, S.A.	Sierra Developments Germany GmbH
Quorum Corretora de seguros LT	Sierra Developments Holding B.V.
Racionaliz. y Manufact.Florestales, S.A.	Sierra Developments Italy S.r.l.
RASO - Viagens e Turismo, S.A.	Sierra Developments Romania, Srl
RASO, SGPS, S.A.	Sierra Developments Spain – Prom.C.Com.SL
Rio Sul – Centro Comercial, S.A.	Sierra Developments, SGPS, S.A.
River Plaza Mall, Srl	Sierra Enplanta Ltda
River Plaza, BV	Sierra European R.R.E. Assets Hold. B.V.

Sierra GP Limited	Sonae Investments, BV
Sierra Investimentos Brasil Ltda	Sonae Novobord (PTY) Ltd
Sierra Investments (Holland) 1 B.V.	Sonae RE, S.A.
Sierra Investments (Holland) 2 B.V.	Sonae Retalho Espana – Servicios Gen., S.A.
Sierra Investments Holding B.V.	Sonae SGPS, S.A.
Sierra Investments SGPS, S.A.	Sonae Sierra Brasil S.A.
Sierra Italy Holding B.V.	Sonae Sierra Brazil B.V.
Sierra Management Germany GmbH	Sonae Sierra, SGPS, S.A.
Sierra Management Greece S.A.	Sonae Tafibra Benelux, BV
Sierra Management Italy S.r.l.	Sonae Turismo – SGPS, S.A.
Sierra Management Portugal – Gest. CC, S.A.	Sonae UK, Ltd.
Sierra Management Romania, Srl	Sonaegest – Soc.Gest.Fundos Investimentos
Sierra Management Spain – Gestión C.Com.S.A.	SONAEMC - Modelo Continente, SGPS, S.A.
Sierra Management, SGPS, S.A.	Sondis Imobiliária, S.A.
SII – Soberana Invest. Imobiliários, S.A.	Sontel BV
SIRS – Sociedade Independente de Radiodifusão Sonora, S.A.	Sontur BV
Sistavac – Sist.Aquecimento,V.Ar C., S.A.	Sonvecap BV
SKK – Central de Distr., S.A.	Sopair, S.A.
SKK SRL	Sotáqua – Soc. de Empreendimentos Turist
SKKFOR – Ser. For. e Desen. de Recursos	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 Industria de Revestimentos, S.A.	Tecmasa Reciclados de Andalucia, SL
Sonae Indústria Manag. Serv, SA	Terra Nossa Corretora de Seguros Ltda
Sonae Investimentos, SGPS, SA	Têxtil do Marco, S.A.

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

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

10.3. Sonaecom individual financial statements

Balance sheets

For the periods ended at 31 March 2012 and 2011 and for the year ended at 31 December 2011

	Notes	March 2012	March 2011	December 2011
Assets				
Non-current assets				
Tangible assets	1a, 1e and 2	344,541	411,008	361,047
Intangible assets	1b and 3	1,898	6,942	2,285
Investments in Group companies	1c and 5	1,097,528,929	987,197,029	1,097,478,929
Other non-current assets	1c, 1m, 1n, 4 and 6	544,399,752	768,415,652	542,879,752
Total non-current assets		1,642,275,120	1,756,030,631	1,640,722,013
Current assets				
Other current debtors	1d, 1f, 4 and 8	85,341,918	13,447,765	5,250,772
Other current assets	1m and 1n	7,393,032	4,080,295	1,249,804
Cash and cash equivalents	1g, 4 and 9	31,553,676	11,581,737	61,289,703
Total current assets		124,288,626	29,109,797	67,790,279
Total assets		1,766,563,746	1,785,140,428	1,708,512,292
Shareholder' funds and liabilities				
Shareholders' funds				
Share capital	10	366,246,868	366,246,868	366,246,868
Own shares	1p and 11	(7,289,051)	(13,625,492)	(13,594,518)
Reserves	1o	894,968,976	921,671,151	904,095,590
Net income / (loss) for the period		76,677,097	(1,319,918)	(7,960,682)
Total Shareholders' funds		1,330,603,890	1,272,972,609	1,248,787,258
Liabilities				
Non-current liabilities				
Medium and long-term loans – net of short-term portion	1h, 4 and 12a	288,831,843	362,592,644	319,485,865
Provisions for other liabilities and charges	1k, 1n and 13	70,934	68,654	68,654
Other non-current liabilities	1m, 1n and 1s	113,280	269,380	271,207
Total non-current liabilities		289,016,057	362,930,678	319,825,726
Current liabilities				
Short-term loans and other loans	1g, 1h, 4 and 12b	145,288,907	104,991,773	137,109,904
Other creditors	4 and 14	858,924	43,502,750	1,579,811
Other current liabilities	1m, 1n and 1s	795,968	742,618	1,209,593
Total current liabilities		146,943,799	149,237,141	139,899,308
Total Shareholders' funds and liabilities		1,766,563,746	1,785,140,428	1,708,512,292

The notes are an integral part of the financial statements at 31 March 2012 and 2011.

The Chief Accountant

Patrícia Maria Cruz Ribeiro da Silva

The Board of Directors

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho Paupério

António Bernardo Aranha da Gama Lobo Xavier

Maria Cláudia Teixeira de Azevedo

Miguel Nuno Santos Almeida

António Sampaio e Mello

David Charles Denholm Hobley

Frank Emmanuel Dangeard

Gervais Gilles Pellissier

Jean-François René Pontal

Nuno Manuel Moniz Trigoso Jordão

Profit and Loss account by nature

For the periods ended at 31 March 2012 and 2011 and for the year ended at 31 December 2011

	Notes	March 2012	March 2011	December 2011
Services rendered		964,421	867,789	3,879,652
Other operating revenues	1f and 18	-	4,688	896
		964,421	872,477	3,880,548
External supplies and services	1e and 15	(505,478)	(708,011)	(1,986,852)
Staff expenses	1s and 21	(636,782)	(610,431)	(2,655,517)
Depreciation and amortisation	1a, 1b, 1q, 2 and 3	(17,253)	(19,344)	(75,411)
Provisions and impairment losses	1r and 13	(15,387)	-	-
Other operating costs		(16,774)	(18,622)	(100,022)
		(1,191,674)	(1,356,408)	(4,817,802)
Gains and losses on Group companies	16	76,988,861	(3,236,000)	(9,880,000)
Other financial expenses	1c, 1h, 1q, 12, 16 and 18	(3,829,320)	(2,305,188)	(12,043,254)
Other financial income	1c, 9, 16 and 18	3,653,390	5,446,820	15,312,037
Current income / (loss)		76,585,678	(578,299)	(7,548,471)
Income taxation	1l, 7 and 17	91,419	(741,619)	(412,211)
Net income / (loss) for the period		76,677,097	(1,319,918)	(7,960,682)
Earnings per share	20			
Including discontinued operations:				
Basic		0.21	(0.004)	(0.02)
Diluted		0.21	(0.004)	(0.02)
Excluding discontinued operations:				
Basic		0.21	(0.004)	(0.02)
Diluted		0.21	(0.004)	(0.02)

The notes are an integral part of the financial statements at 31 March 2012 and 2011.

The Chief Accountant

Patrícia Maria Cruz Ribeiro da Silva

The Board of Directors

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho Paupério

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David Charles Denholm Hobley

Frank Emmanuel Dangeard

Gervais Gilles Pellissier

Jean-François René Pontal

Nuno Manuel Moniz Trigoso Jordão

Statement comprehensive income

For the periods ended at 31 March 2012 and 2011

	Notes	March 2012	March 2011
Net income / (loss) for the period		76,677,097	(1,319,918)
Components of other comprehensive income, net of tax		-	-
Statement comprehensive income for the period		76,677,097	(1,319,918)

The notes are an integral part of the financial statements at 31 March 2012 and 2011.

The Chief Accountant

Patrícia Maria Cruz Ribeiro da Silva

The Board of Directors

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho Paupério

António Bernardo Aranha da Gama Lobo Xavier

Maria Cláudia Teixeira de Azevedo

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David Charles Denholm Hobley

Frank Emmanuel Dangeard

Gervais Gilles Pellissier

Jean-François René Pontal

Nuno Manuel Moniz Trigoso Jordão

Movements in Shareholders' funds

For the periods ended at 31 March 2012 and 2011

			Reserves								
	Share capital	Own shares (note 11)	Share premium	Legal reserves	Medium Term Incentive Plans reserves (note 21)	Own shares reserves	Other reserves	Total reserves	Net income / (loss)	Total
2012										
Balance at 31 December 2011	366,246,868	(13,594,518)	775,290,377	7,991,192	742,525	13,594,518	106,476,978	904,095,591	(7,960,682)	1,248,787,258
Appropriation of result of 2011	-	-	-	-	-	-	(7,960,682)	(7,960,682)	7,960,682	-
Comprehensive income for the period ended at 31 March 2012	-	-	-	-	-	-	-	-	76,677,097	76,677,097
Delivery of own shares under the Medium Term Incentive Plans	-	7,189,021	-	-	(380,690)	(7,189,021)	6,286,482	(1,283,229)	-	5,905,792
Effect of the recognition of the Medium Term Incentive Plans	-	-	-	-	117,297	-	-	117,297	-	117,297
Acquisition of own shares	-	(883,554)	-	-	-	883,554	(883,554)	-	-	(883,554)
Balance at 31 March 2012	366,246,868	(7,289,051)	775,290,377	7,991,192	479,133	7,289,051	103,919,224	894,968,976	76,677,097	1,330,603,890

For the periods ended at 31 March 2012 and 2011

			Reserves								
	Share capital	Own shares (note 11)	Share premium	Legal reserves	Medium Term Incentive Plans reserves (note 21)	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	-	-	-	6,770,189	-	-	128,633,598	135,403,787	(135,403,787)	-
Comprehensive income for the period ended at 31 March 2011	-	-	-	-	-	-	-	-	(1,319,918)	(1,319,918)
Delivery of own shares under the Medium Term Incentive Plans	-	3,628,629	-	-	(186,538)	(3,628,629)	1,752,301	(2,062,866)	-	1,565,763
Effect of the recognition of the Medium Term Incentive Plans	-	-	-	-	85,925	-	-	85,925	-	85,925
Acquisition of own shares	-	(2,223,287)	-	-	-	2,223,287	(2,223,287)	-	-	(2,223,287)
Balance at 31 March 2011	366,246,868	(13,625,492)	775,290,377	7,991,192	450,768	13,625,492	124,313,322	921,671,151	(1,319,918)	1,272,972,609

The notes are an integral part of the financial statements at 31 March 2012 and 2011.

The Chief Accountant

Patrícia Maria Cruz Ribeiro da Silva

The Board of Directors

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho Paupério

António Bernardo Aranha da Gama Lobo Xavier

Maria Cláudia Teixeira de Azevedo

Miguel Nuno Santos Almeida

António Sampaio e Mello

David Charles Denholm Hobley

Frank Emmanuel Dangeard

Gervais Gilles Pellissier

Jean-François René Pontal

Nuno Manuel Moniz Trigoso Jordão

Cash Flow statements

For the periods ended at 31 March 2012 and 2011

	March 2012		March 2011	
Operating activities				
Payments to employees	(844,818)		(1,063,139)	
Cash flows from operating activities	(844,818)		(1,063,139)	
Payments / receipts relating to income taxes, net	(196,094)		(11,064)	
Other payments / receipts relating to operating activities, net	1,513,574		1,125,665	
Cash flows from operating activities (1)	472,662	472,662	51,462	51,462
Investing activities				
Receipts from:				
Investments	–		17,840,000	
Interest and similar income	1,030,378	1,030,378	688,915	18,528,915
Payments for:				
Investments	(50,000)		(21,850,290)	
Tangible assets	(2,446)		(1,969)	
Loans granted	(3,409,000)	(3,461,446)	(165,995,000)	(187,847,259)
Cash flows from investing activities (2)		(2,431,068)		(169,318,344)
Financing activities				
Receipts from:				
Loans obtained	–	–	119,232,000	119,232,000
Payments for:				
Interest and similar expenses	(5,002,751)		(2,486,350)	
Acquisition of own shares	(738,425)		(2,223,287)	
Loans obtained	(22,075,000)	(27,816,176)	(9,305,000)	(14,014,637)
Cash flows from financing activities (3)		(27,816,176)		105,217,363
Net cash flows (4)=(1)+(2)+(3)		(29,774,582)		(64,049,519)
Effect of the foreign exchanges				
Cash and cash equivalents at the beginning of the period		61,289,703		75,631,256
Cash and cash equivalents at period end		31,515,121		11,581,737

The notes are an integral part of the financial statements at 31 March 2012 and 2011.

Chief Accountant

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Notes to the cash flow statements

For the periods ended at 31 March 2012 and 2011

	2012	2011
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
	–	17,840,000
b) Other business activities		
Establishment of Sonaecom - Serviços Partilhados, S.A.	50,000	–
Supplementary capital to PCJ - Público, Comunicação e Jornalismo, S.A.	–	12,990,000
Payment of Acquisiction Sontária- Empreendimentos Imobiliários, S.A.	–	8,860,290
	50,000	21,850,290
2. Details of cash and cash equivalents		
Cash in hand	10,541	10,319
Cash at bank	34,135	91,418
Treasury applications	31,509,000	11,480,000
Overdrafts	(38,555)	–
Cash and cash equivalents	31,515,121	11,581,737
Overdrafts	38,555	–
Cash assets	31,553,676	11,581,737
3. Description of non-monetary financing activities		
a) Bank credit obtained and not used	111,000,000	80,000,000
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 31 March 2012 and 2011.

Chief Accountant

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10.4. 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).

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.

Until the date of approval of these financial statements there are no standards, interpretations, amendments and revisions that have been approved (endorsed) by the European Union, whose application is mandatory in 1 January 2012 or in future financial years.

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)
IFRS 1 - Amendments (Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters) The amendments referred to the Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters: 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 1 - Amendments (Government Loans) The amendments referred to the Government Loans addresses how a first-time adopters would account for a government loan with a below-market rate of interest when transitioning to IFRS and proposes to permit prospective application of IAS 20 requirements.	1-Jan-13
IFRS 7 Amendments (Offsetting Financial Assets and Financial Liabilities: Disclosures) 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-Jan-13
IFRS 9 (Financial Instruments and subsquent amendments) 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-15
IFRS 10 (Consolidated Financial Statements) 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 - Amendments (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 statement.	1-Jul-12
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
IAS 19 - Amendments (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
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
IAS 32 - Amendments (Offsetting Financial Assets and Financial Liabilities) IAS 32 is amended to refer to the IFRS 7 disclosure requirements in respect of offsetting arrangements.	1-Jan-14
IFRIC 20 Interpretation (Stripping Costs in the Production Phase of a Surface Mine) The Interpretation clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods.	1-Jan-13

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 31 March 2012 are comparable with those used in the preparation of the individual financial statements at 31 December 2011.

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
Other tangible assets	4

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) 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.

j) 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:

(i) 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.
(ii) Forward's exchange rate for hedging foreign exchange risk. The values and times periods involved are identical to the amounts invoiced and their maturities.

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 31 March 2012, the Company did not have any derivative, beyond those mentioned in note 1.s).

k) 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.

l) 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.

m) 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.

The costs attributable to current year and whose expenses will only occur in future years are estimated and recorded under the caption 'Other current liabilities' and 'Other non-current liabilities', when it is possible to estimate reliably the amount and the timing of occurrence of the expense. If there is uncertainty regarding both the date of disbursement of funds, and the amount of the obligation, the value is classified as Provisions (note 1.k)).

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.

n) 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).

o) 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.j)) 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 31 March 2012, Sonaecom, SGPS, S.A., have reserves which by their nature could be considered distributable, in the amount of around Euro 176.8 million.

p) 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'.

q) Foreign currency
All assets and liabilities expressed in foreign currency were translated into euro using the exchange rates in force at the balance sheet.

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:

	2012		2011	
	31 March	Average	31 March	Average
Pounds Sterling	1.19918	1.19840	1.13161	1.17144
Swiss franc	0.83022	0.82783	0.76894	0.77703
Swedish krona	0.11305	0.11296	0.11195	0.11282
American Dollar	0.74873	0.76304	0.70388	0.73141

r) 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.

s) 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 31 March 2012, only one plan of 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 31 March 2012, two 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'.

t) 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.

u) Judgements and estimates
The most significant accounting estimates reflected in the financial statements of the periods ended at 31 March 2012 and 2011 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.

v) 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. j)).

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 (note 1. j)).

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 at 31 March 2012 and 2011 was as follows:

						2012
	Buildings and other constructions	Plant and machinery	Tools	Fixtures and fittings	Other tangible assets	Total
Gross assets						
Balance at 31 December 2011	721,165	46,325	171	333,757	104	1,101,522
Acquisitions	–	360	–	–	–	360
Balance at 31 March 2012	721,165	46,685	171	333,757	104	1,101,882
Accumulated depreciation and impairment losses						
Balance at 31 December 2011	444,736	33,182	171	262,282	104	740,475
Depreciation for the period	10,361	1,829	–	4,676	–	16,866
Balance at 31 March 2012	455,097	35,011	171	266,958	–	757,341
Net value	266,068	11,674	–	66,799	–	344,541

						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
Balance at 31 March 2011	721,165	46,325	171	332,060	619	1,100,340
Accumulated depreciation and impairment losses						
Balance at 31 December 2010	403,292	25,891	170	241,851	318	671,522
Depreciation for the period	10,361	1,824	-	5,593	32	17,810
Balance at 31 March 2011	413,653	27,715	170	247,444	350	689,332
Net value	307,512	18,610	1	84,616	269	411,008

3. Intangible assets

The movement in intangible assets and in the corresponding accumulated amortisation and impairment losses in the periods ended at 31 March 2012 and 2011, was as follows:

				2012
	Brands, patents and other rights	Software	Intangible assets in progress	Total
Gross assets				
Balance at 31 December 2011	9,719	183,623	–	193,342
Balance at 31 March 2012	9,719	183,623	–	193,342
Accumulated depreciation and impairment losses				
Balance at 31 December 2011	8,316	182,741	–	191,057
Depreciation for the period	256	131	–	387
Balance at 31 March 2012	8,572	182,872	–	191,444
Net value	1,147	751	–	1,898

				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
Balance at 31 March 2011	9,719	183,247	376	193,342
Accumulated depreciation and impairment losses				
Balance at 31 December 2010	7,281	177,585	–	184,866
Depreciation for the period	265	1,269	–	1,534
Balance at 31 March 2011	7,546	178,854	–	186,400
Net value	2,173	4,393	376	6,942

4. Breakdown of financial instruments

At 31 March 2012 and 2011, the breakdown of financial instruments was as follows:

				2012
	Loans and receivables	Subtotal	Others not covered by IFRS 7	Total
Non-current assets				
Other non-current assets (note 6)	544,399,752	544,399,752	–	544,399,752
	544,399,752	544,399,752	–	544,399,752
Current assets				
Other trade debtors (note 8)	85,341,918	85,341,918	–	85,341,918
Cash and cash equivalents (note 9)	31,553,676	31,553,676	–	31,553,676
	116,895,594	116,895,594	–	116,895,594

				2011
	Loans and receivables	Subtotal	Others not covered by IFRS 7	Total
Non-current assets				
Other-non current assets (note 6)	768,415,652	768,415,652	–	768,415,652
	768,415,652	768,415,652	–	768,415,652
Current assets				
Other trade debtors (note 8)	10,426,310	10,426,310	3,021,455	13,447,765
Cash and cash equivalents (note 9)	11,581,737	11,581,737	–	11,581,737
	22,008,047	22,008,047	3,021,455	25,029,502

					2012
	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 12)	288,831,843	–	288,831,843	–	288,831,843
	288,831,843	–	288,831,843	–	288,831,843
Current liabilities					
Short-term loans and other loans (note 12)	145,288,907	–	145,288,907	–	145,288,907
Other creditors (note 14)	–	338,644	338,644	520,280	858,924
	145,288,907	338,644	145,627,551	520,280	146,147,831

					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 12)	362,592,644	–	362,592,644	–	362,592,644
	362,592,644	–	362,592,644	–	362,592,644
Current liabilities					
Short-term loans and other loans (note 12)	104,991,773	–	104,991,773	–	104,991,773
Other creditors (note 14)	–	41,782,301	41,782,301	1,720,449	43,502,750
	104,991,773	41,782,301	146,774,074	1,720,449	148,494,523

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 31 March 2012 and 2011, this caption included the following investments in Group companies:

Company	2012	2011
Optimus - Comunicações, S.A. ('Optimus')	898,576,231	785,076,231
Sonae Telecom, S.G.P.S., S.A. ('Sonae Telecom')	107,289,987	107,289,987
Sonaetelecom BV	75,009,902	75,009,902
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	25,020,000
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	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')	494,495	1,000,000
PCJ - Público, Comunicação e Jornalismo, S.A. ('PCJ')	50,000	50,000
Sonaecom - Serviços Partilhados, S.A. ('Sonaecom SP')	50,000	–
	1,177,651,426	1,064,606,931
Impairment losses (note 13)	(80,122,497)	(77,409,902)
Total investments in Group companies	1,097,528,929	987,197,029

The movements that occurred in investments in Group companies during the periods ended at 31 March 2012 and 2011 were as follows:

Company	Balance at 31 December 2011	Additions	Disposals	Transfers and write-offs	Balance at 31 March 2012
Optimus	898,576,231	–	–	–	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
Público	494,495	–	–	–	494,495
PCJ	50,000	–	–	–	50,000
Sonaecom SP	–	50,000	–	–	50,000
	1,177,601,426	50,000	–	–	1,177,651,426
Impairment losses (note 13)	(80,122,497)	–	–	–	(80,122,497)
	1,097,478,929	50,000	–	–	1,097,528,929

	Balance at 31 December 2010	Additions	Disposals	Transfers and write-offs	Balance at 31 March 2011
Optimus	764,876,231	20,200,000	–	–	785,076,231
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
Público	–	1,000,000	–	–	1,000,000
PCJ	50,000	–	–	–	50,000
	1,043,406,931	21,200,000	–	–	1,064,606,931
Impairment losses (note 13)	(46,609,902)	(916,000)	–	(29,884,000)	(77,409,902)
	996,797,029	20,284,000	–	(29,884,000)	987,197,029

The amount of Euro 50,000 in the period ended at 31 march 2012, under the caption 'Additions' at Sonaecom SP, relates to the constitution of Sonaecom Serviços Partilhados, S.A.

In the period ended at 31 March 2011, the amount of Euro 20,200,000 under the caption 'Additions' at Optimus relates to the acquisition of 1.6% of share capital of this subsidiary to Sonaecom BV.

The amount of Euro 1,000,000, in the period ended at 31 March 2011, relates to the acquisition of the entire share capital of Público – Comunicação Social, S.A. to Sonaetelecom BV.

The variation in 'Impairment losses', in the period ended at 31 March 2011, 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).

At 31 March 2012 and 2011, the main financial information regarding the subsidiaries directly owned by the Company is as follows (values in accordance with IAS / IFRS):

		2012			2011		
Company	Head office	% holding	Shareholders' funds	Net profit / (loss)	% holding	Shareholders' funds	Net profit / (loss)
Optimus	Maia	64.14%	468,206,109	14,065,305	55.14%	457,434,281	8,232,409
Sonae Telecom	Maia	100%	173,923,366	26,121,605	100%	165,249,616	(2,418)
Sonae com SI	Maia	100%	61,447,073	35,584,386	100%	40,014,030	463,447
Miauger	Maia	100%	10,621	(16,745)	100%	1,242,030	(18,008)
Sonaetelecom BV	Amesterdam	100%	1,616,582	3,954	100%	1,705,809	1,461,368
Sonaecom BV	Amesterdam	100%	14,517,233	(146,687)	100%	12,473,043	(1,023,205)
Be Artis	Maia	100%	250,314,607	(686,539)	100%	158,697,375	(8,564,273)
PCJ	Maia	100%	9,665,025	126,797	100%	13,286,276	246,276
Público (a)	Maia	100%	(534,412)	(916,182)	100%	785,005	(996,499)
Sontária	Maia	100%	106,097	44,528	100%	768,868	135,065
Sonaecom SP (b)	Maia	100%	49,766	(234)	–	–	–

(a) Company adquired in January 2011.
(b) Company established in January 2012.

At 31 March 2012, Sonaecom owned, indirectly, through Sonae Telecom S.G.P.S., S.A. an additional shareholding in Optimus – Comunicações, S.A. of 35.86%, amounting to 100% of participation.

At 31 March 2011, Sonaecom owned, indirectly, through Sonae Telecom S.G.P.S., S.A. and Sonaecom BV, an additional shareholding of 35.86% and 9.00% in Optimus – Comunicações, S.A., respectively, 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	9.50%
Multimedia	10.00%
Information systems	11.50%

6. Other non-current assets

At 31 March 2012 and 2011, this caption was made up as follows:

	2012	2011
Financial assets		
Medium and long-term loans granted to Group companies:		
Be Artis	194,179,000	346,185,000
Sonaecom BV	16,774,000	162,738,000
Sonae com SI	13,690,000	17,660,000
PCJ	5,145,000	5,000,000
Sontária	2,676,637	2,676,637
Sonaetelecom BV	200,000	18,141,000
Lugares Virtuais	–	1,170,000
	232,664,637	553,570,637
Supplementary capital:		
Be Artis	265,889,115	165,889,115
Sonae Telecom SGPS	38,630,000	38,630,000
PCJ	12,990,000	12,990,000
Público	3,565,505	1,160,000
Miauger	1,105,000	800,000
	322,179,620	219,469,115
	554,844,257	773,039,752
Accumulated impairment losses (note 13)	(10,444,505)	(4,624,100)
	544,399,752	768,415,652

During the periods ended at 31 March 2012 and 2011, the movements that occurred in 'Medium and long-term loans granted to Group companies' were as follows:

				2012
Company	Opening balance	Increases	Decreases	Closing balance
Be Artis	179,734,000	14,445,000	–	194,179,000
Sonaecom BV	21,785,000	–	(5,011,000)	16,774,000
Sonae com SI	19,700,000	–	(6,010,000)	13,690,000
PCJ	5,160,000	–	(15,000)	5,145,000
Sontária	2,676,637	–	–	2,676,637
Sonaetelecom BV	200,000	–	–	200,000
	229,255,637	14,445,000	(11,036,000)	232,664,637

				2011
Company	Opening balance	Increases	Decreases	Closing balance
Be Artis	175,720,000	170,465,000	–	346,185,000
Sonaecom BV	168,158,000	–	(5,420,000)	162,738,000
Sonae com SI	21,190,000	–	(3,530,000)	17,660,000
Sonaetelecom BV	18,141,000	–	–	18,141,000
Sontária	2,676,637	–	–	2,676,637
Lugares Virtuais	1,170,000	–	–	1,170,000
Wedo Consulting	520,000	–	(520,000)	–
PCJ	–	5,000,000	–	5,000,000
	387,575,637	175,465,000	(9,470,000)	553,570,637

During the periods ended at 31 March 2012 and 2011, the movements in 'Supplementary capital' were as follows:

				2012
Company	Opening balance	Increases	Decreases	Closing balance
Be Artis	265,889,115	–	–	265,889,115
Sonae Telecom SGPS	38,630,000	–	–	38,630,000
PCJ	12,990,000	–	–	12,990,000
Público	3,565,505	–	–	3,565,505
Miauger	1,105,000	–	–	1,105,000
	322,179,620	–	–	322,179,620

				2011
Company	Opening balance	Increases	Decreases	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

During the periods ended at 31 March 2012 and 2011, the loans granted to Group companies earned interest at market rates with an average interest rate of 4.75% and 3.86%, respectively. Supplementary capital is non-interest bearing.

The movement under the caption 'Accumulated impairment losses' results from the increase in the amount of Euro 1,889,000 (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).

7. Deferred taxes

At 31 March 2012, 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	16,874,570	(149,858)	16,724,712	4,178,930
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	-	10,005,010	10,005,010	2,651,328
2012	-	1,889,000	1,889,000	500,585
	71,438,174	91,908,590	163,346,764	42,215,320

The rate used at 31 March 2012 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 31 March 2012 and 2011 is as follows:

	2012	2011
Earnings before tax	76,585,678	(578,299)
Income tax rate (25%)	(19,146,420)	144,575
Correction of the tax of the previous year and other related taxes	(4,941)	(77,194)
Movements in provisions not accepted for tax purposes (note 13)	(472,250)	(809,000)
Adjustments to the taxable income	19,715,030	–
Income taxation recorded in the period	91,419	(741,619)

The adjustments to the taxable income in 2012 relates, mainly, to dividends received (note 16), which do not contribute to the calculation of the taxable profit for the year.

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 2008 (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 31 March 2012.

8. Other current debtors

At 31 March 2012 and 2011, this caption was made up as follows:

	2012	2011
Trade debtors	85,357,402	10,428,240
State and other public entities	-	3,021,455
Accumulated impairment losses on accounts receivables (note 13)	(15,484)	(1,930)
	85,341,918	13,447,765

At 31 March 2012, the caption 'Other current debtors' included amounts to be received from subsidiary Group companies, relating to dividends in the amount of Euro 78.877.861, interests receivable from subsidiaries on Shareholders' loans, interest on treasury applications and services rendered (note 18).
The caption 'State and other public entities', at 31 March 2011, includes the special advanced payment, retentions and taxes to be recovered.

9. Cash and cash equivalents

At 31 March 2012 and 2011, the breakdown of cash and cash equivalents was as follows:

	2012	2011
Cash	14,148	10,319
Bank deposits repayable on demand	30,528	91,418
Treasury applications	31,509,000	11,480,000
	31,553,676	11,581,737
Bank overdrafts (note 12)	(38,555)	-
	31,515,121	11,581,737

At 31 March 2012 and 2011, the caption 'Treasury applications' had the following breakdown:

	2012	2011
Bank applications	10,625,000	4,230,000
Artis	8,040,000	–
Be Towering	6,870,000	–
We Do	3,090,000	2,500,000
Público	2,054,000	–
Lugares Virtuais	570,000	–
Sontária	165,000	–
Sonae com SI	95,000	–
PCJ	–	4,750,000
	31,509,000	11,480,000

During the period ended at 31 March 2012, the above mentioned treasury applications bear interests at an average rate of 4.55% (3.99% in 2011).

10. Share capital

At 31 March 2012 and 2011, 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:

	2012		2011	
	Number of shares	%	Number of shares	%
Sontel BV	194,063,119	52.99%	183,374,470	50.07%
Shares traded on the Portuguese Stock Exchange ('Free float')	80,761,848	22.05%	72,990,796	19.93%
Atlas Service Belgium	73,249,374	20.00%	73,249,374	20.00%
Millenium BCP	12,500,998	3.41%	12,500,998	3.41%
Own shares (note 11)	5,020,529	1.37%	9,058,807	2.47%
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%
Santander Asset Management*	–	–	3,732,774	1.02%
	366,246,868	100.00%	366,246,868	100.00%

* As it is not considered a qualified holding, the number of shares held by Santander Asset Management, based on the information disclosed on 16 February 2011, was include in the Free Float.

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 31 March 2012, Sonaecom delivered to its employees 325,098 own shares under its Medium Term Incentive Plans.

Additionally, Sonaecom sold to its subsidiaries 3,479,058 shares (at an average price of Euro 1.171), under the Medium Term Incentive Plan of each company, and a loan in shares corresponding to 942,786 shares , with reference to a price of Euro 1.91,.

During the period ended at 31 March 2012, the Company also acquired 722,271 new shares (at an average price of Euro 1.223), holding at the end of the period 5,020,529 own shares, representative of 1.37% of its share capital, with an average price of Euro 1.452.

12. Loans

At 31 March 2012 and 2011, 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	2012	2011
'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
Costs associated with setting-up the financing	–	–	–	(2,539,092)	(1,714,640)
Interests incurred but not yet due	–	–	–	1,370,935	1,072,845
				288,831,843	219,358,205
Commercial paper	150,000,000	Jul-12	–	–	143,000,000
Interests incurred but not yet due	–	–	–	–	234,439
				–	143,234,439
				288,831,843	362,592,644

b) Short-term loans and other loans

				Amount outstanding	
Issue denomination	Limit	Maturity	Type of reimbursement	2012	2011
'Obrigações Sonaecom SGPS 2010'	30,000,000	Feb-13	Final	30,000,000	–
Commercial paper	150,000,000	Jul-12	–	100,000,000	–
Commercial paper	25,000,000	Apr-12	–	13,000,000	16,000,000
Commercial paper	40,000,000	May-11	–	–	20,000,000
Commercial paper	15,000,000	Jun-12	–	–	5,000,000
Interest incurred but not yet due	–	–	–	258,143	67,217
Tresuary applications	–	–	–	1,992,209	63,924,556
Bank overdrafts	–	–	–	38555	–
				145,288,907	104,991,773

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 3.52% (2.46% in 2011).

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 other Commercial Paper Programmes Issuance with subscription guarantee and the following characteristics:

Amount	Hire date	Subscription guarantee	Maturity
Euro 25 million	April 2010	Bankia (representative in Portugal)	23-Apr-12
Euro 5 million	April 2010	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

*Can also be used as bank overdraft.

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.

On 31 March 2012, the main financial constraints (covenants) included in debt contracts are related with the bond issue completed by Sonaecom during September 2011, totaling 100 million euros and establishing: (i) the requirement for Sonaecom, Optimus, Artis and Sonae Telecom, as well as the group companies whose both assets and EBITDA are equal or greater than 15% of the consolidated assets and the consolidated EBITDA (material subsidiaries) represent, as a whole, at least 80% of Sonaecom consolidated assets and consolidated EBITDA, and: (ii) the obligation to ensure that consolidated net debt does not exceed three times the consolidated EBITDA. Additionally, both this loan, as well as other loans are covered by Sonaecom negative pledge clauses, which impose certain restrictions on the mortgaging or pledging of the material subsidiaries' tangible assets and require the upholding of control over Optimus. The penalties applicable in the event of default in these covenants are generally the early payment of the loans obtained.

On 31 March 2012, Sonaecom was fully compliant with all the financial constraints above mentioned.

Bank credit lines of short-term portion

Sonaecom has also short term bank credit lines , 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 31 March 2012 and 2011, the detail of 'Treasury applications' received from subsidiaries was as follows:

	2012	2011
Sonaetelecom BV	1,824,492	-
Optimus	72,818	47,190,072
Sonaecom SP	40,071	-
Digitmarket	38,283	4,898,872
Público	6,259	2,068,098
Mainroad	6,105	1,122,820
Sontária	2,254	246,116
Miauger	1,287	961,970
Sonae com SI	366	273
Wedo Consulting	178	30
Sonae Telecom	85	10,052
Be Towering	12	7,295,351
Lugares Virtuais	-	100,296
Saphety	-	15,405
Be Artis	-	15,201
	1,992,209	63,924,556

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 31 March 2012 and 2011, the treasury applications earned an average interest rate of 3.80% and 0.82%, respectively.

At 31 March 2012 and 2011, 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):

	March 2013	March 2014	March 2015	March 2016	March 2017
2012					
Bond loan					
Reimbursements	–	150,000,000	140,000,000	–	–
Interests	9,439,500	6,471,505	5,503,397	–	–
Commercial paper					
Reimbursements	–	–	–	–	–
Interests	–	–	–	–	–
	9,439,500	156,471,505	145,503,397	–	–
2011					
Bond loan					
Reimbursements	–	30,000,000	150,000,000	40,000,000	–
Interests	5,580,447	5,416,485	2,119,844	1,383,189	–
Commercial paper					
Reimbursements	–	143,000,000	–	–	–
Interests	1,887,627	624,052	–	–	–
	7,468,075	179,040,537	152,119,844	41,383,189	–

Although the maturity of commercial paper issuance is between one week to six months, the counterparties assumed the placement and the maintenance of those limits for a period of one to five years. As so, such liabilities are recorded in the medium and long term at 31 March 2011.

At 31 March 2012 and 2011, the available credit lines of the Company are as follows:

				Maturity	
Credit	Limit	Amount outstanding	Amount available	Until 12 months	More than 12 months
2012					
Commercial paper	150,000,000	100,000,000	50,000,000	x	
Commercial paper	30,000,000	13,000,000	17,000,000	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	433,000,000	111,000,000		
2011					
Commercial paper	150,000,000	143,000,000	7,000,000		x
Commercial paper	40,000,000	20,000,000	20,000,000	x	
Commercial paper	30,000,000	16,000,000	14,000,000	x	
Commercial paper	15,000,000	5,000,000	10,000,000	x	
Commercial paper	10,000,000	-	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	
Authorised overdrafts	2,500,000	-	2,500,000	x	
	484,000,000	404,000,000	80,000,000		

At 31 March 2012 and 2011, there are no interest rate hedging instruments.

13. Provisions and accumulated impairment losses

The movements in provisions and in accumulated impairment losses in the periods ended at 31 March 2012 and 2011 were as follows:

	Opening balance	Increases	Transfers	Utilisations	Closing balance
2012					
Accumulated impairment losses on accounts receivables (note 8)	1,930	15,387	–	(1,833)	15,484
Accumulated impairment losses on investments in Group companies (notes 5 and 16)	80,122,497	–	–	–	80,122,497
Accumulates impairment losses on other non-current assets (notes 6 and 16)	8,555,505	1,889,000	–	–	10,444,505
Provisions for other liabilities and charges	68,654	2,280	–	–	70,934
	88,748,586	1,906,667	–	–	90,653,420
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)	32,188,100	2,320,000	(29,884,000)	–	4,624,100
Provisions for other liabilities and charges	56,487	12,167	–	–	68,654
	78,856,419	3,248,167	–	–	82,104,586

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 31 March 2012 and 2011, the increase of 'Provisions for other liabilities and charges' includes the amount of Euro 2,280 and 12,167, respectively, registered in the financial statements, under the caption 'Income taxation', due to its' nature (note 17).

14. Other creditors

At 31 March 2012 and 2011, this caption was made up as follows:

	2012	2011
Other creditors	338,644	41,782,301
State and other public entities	520,280	1,720,449
	858,924	43,502,750

At 31 March 2011, the caption 'Other creditors' includes, essentially, the amount of Euro 20,200,000, relating to the acquisition of 1.6% of share capital of Optimus to Sonaecom BV and the amount of Euro 20,000,000, relating to the acquisition of the entire share capital of Público – Comunicação Social, S.A. to Sonaetelecom BV.

15. External supplies and services

At 31 March 2012 and 2011, this caption was made up as follows:

	2012	2011
Specialised work	432,715	555,382
Travel and accommodation	22,456	22,207
Rents and travelling expenses	20,391	27,390
Other external supplies and services	29,916	103,032
	505,478	708,011

16. Financial results

Net financial results for the periods ended 31 March 2012 and 2011 are made up as follows:

	2012	2011
Gains and losses on investments in Group companies		
Losses related to Group companies (notes 5, 6 and 13)	(1,889,000)	(3,236,000)
Gains related to Group companies	78,877,861	–
	76,988,861	(3,236,000)
Other financial expenses		
Interest expenses:		
Bank loans	(783,913)	(793,351)
Other loans	(2,966,264)	(1,509,434)
	(3,750,177)	(2,302,785)
Other financial expenses	(79,143)	(2,403)
	(79,143)	(2,403)
	(3,829,320)	(2,305,188)
Other financial income		
Interest income	3,653,208	5,446,512
Foreign currency exchange gains	182	308
	3,653,390	5,446,820

At 31 March 2012, the caption 'Gains related to Group companies' relates to the dividends received from Optimus (Euro 46,726,961), Sonae Telecom (Euro 17,434,926), Sonae com SI (Euro 14,132,501) and Sontária (Euro 583,473).

17. Income Taxation

Income taxes recognised during the periods ended at 31 March 2012 and 2011 were made up as follows ((costs) / gains):

	2012	2011
Current tax	93,699	(729,452)
Tax provision (note 13)	(2,280)	(12,167)
Closing balance	91,419	(741,619)

18. Related parties

The most significant balances and transactions with related parties (which are detailed in the appendix) at 31 March 2012 and 2011 were as follows:

					Balances at 31 March 2012
	Accounts receivable	Accounts payable	Treasury applications	Other assets and liabilities	Loans granted / (obtained)
Optimus	46,553,806	98,670	–	1,946,468	(72,818)
Artis	61,216	2,771	8,040,000	4,311,741	194,179,000
Sonae com SI	14,335,028	(3,163)	95,000	57,364	13,689,634
Sonaecom BV	442,613	–	–	85,136	16,774,000
Sonae Telecom SGPS	17,429,392	–	–	88	(85)
Be Towering	–	564,631	6,870,000	244,434	(12)
Público	–	1,099,822	2,054,000	22,507	(6,259)
Wedo	7,501,079	–	3,090,000	130,747	(178)
PCJ	165,586	–	–	21,361	5,145,000
Sonaetelecom BV	4,551	–	–	783	(1,624,492)
Others	723,922	444,776	735,000	362,985	2,588,637
	87,217,194	2,207,506	20,884,000	7,183,614	230,672,428

					Balances at 31 March 2011
	Accounts receivable	Accounts payable	Treasury applications	Other assets and liabilities	Loans granted / (obtained)
Optimus	365,286	449,112	–	970,228	(47,190,072)
Artis	2,413,322	1,365,559	–	1,930,165	346,169,799
Sonae com SI	175,252	29,325	–	80,528	17,659,727
Sonaecom BV	7,210,155	20,200,000	–	558,788	162,738,000
Sonae Telecom SGPS	–	18,665	–	–	(10,052)
Be Towering	9,181	–	–	16,563	(7,295,351)
Público	586	–	–	23,994	(2,068,098)
Wedo	4,853	(875,597)	2,500,000	11,101	(30)
PCJ	588	–	4,750,000	15,925	5,000,000
Sonaetelecom BV	77,004	20,000,000	–	60,789	18,141,000
Others	127,435	392,557	–	172,607	(3,498,842)
	10,383,662	41,579,621	7,250,000	3,840,688	489,646,081

			Transactions at 31 March 2012
	Sales and services rendered	Supplies and services received	Interest and similar income / (expense)
Optimus	826,779	206,035	(71,264)
Artis	–	3,593	2,551,808
Be Towering	–	(11,210)	71,666
We Do	38,715	–	7,939
Sonaecom BV	–	–	461,651
Others	98,927	118,830	370,209
	964,421	317,248	3,392,009

			Transactions at 31 March 2011
	Sales and services rendered	Supplies and services received	Interest and similar income / (expense)
Optimus	864,933	270,196	128,500
Artis	–	(1,138)	3,049,882
Be Towering	–	(11,196)	(11,433)
We Do	–	–	15,763
Sonaecom BV	–	–	1,719,751
Others	2,856	144,967	390,108
	867,789	402,829	5,292,571

All the above transactions were made at market prices.

19. Guarantees provided to third parties

Guarantees provided to third parties at 31 March 2012 and 2011 were as follows:

Beneficiary	Description	2012	2011
Direção de Contribuições e Impostos (Portuguese tax authorities)	VAT reimbursements	7,360,875	7,360,875
Direção 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 were set up two sureties for the current fiscal processes. The Sonae SGPS consisted of Sonaecom SGPS surety to the amount of Euro 2,844,270 and Sonaecom SGPS consisted of Optimus surety for the amount of Euro 9,264,267.

At 31 March 2012 and 2011, the Board of Directors of the Company believes that the decision of the court proceedings and ongoing tax assessments in progress will not have significant impacts on the financial statements.

20. Earnings per share

Earnings per share, basic and diluted, are calculated by dividing the net income of the period (Euro 76,677,097 in 2012 and minus Euro 1,319,918 in 2011) by the average number of shares outstanding during the periods ended at 31 March 2012 and 2011, net of own shares (358,543,225 in 2012 and Euro 357,056,361 in 2011).

21. 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 31 March 2012 can be summarised as follows:

		Vesting period		31 March 2012	
	Share price at award date*	Award date	Vesting date	Aggregate number of participations	Number of shares
Sonaecom shares					
2008 Plan	1.117	10 Mar 09	09 Mar 12	–	–
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
2011 Plan	1.256	09 Mar 12	10 Mar 15	3	264,188
Sonae SGPS shares					
2008 Plan	0.526	10 Mar 09	09 Mar 12	–	–
2009 Plan	0.761	10 Mar 10	08 Mar 13	4	314,954
2010 Plan	0.813	10-Mar-11	10-Mar-14	3	260,365
2011 Plan	0.458	09 Mar 12	10 Mar 15	3	452,514

*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 31 March 2012, 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 2011:				
Unvested	–	–	–	–
Total	11	799,220	11	981,095
Movements in year:				
Awarded	3	264,188	3	452,514
Vested	(4)	(325,098)	(4)	(405,776)
Cancelled / lapsed*	–	–	–	–
Outstanding at 31 Março 2012:				
Unvested	10	738,310	10	1,027,833
Total	10	738,310	10	1,027,833

* 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 479,133 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. 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 31 March 2012, were as follows:

	Value
Costs recognised in previous years	5,285,497
Costs recognised in the period	200,315
Costs of plans vested in previous years	(4,062,646)
Costs of plans vested in the period	(629,590)
	793,576
Recorded in other current liabilities	201,163
Recorded in other non current liabilities	113,280
Recorded in reserves	479,133

These financial statements were approved by the Board of Directors on 3 May 2012, being its conviction that these will be approved at Shareholders General Meeting without any changes.

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 31 March 2012, 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	Christine Cross
Álvaro Cuervo Garcia	José Manuel Neves Adelino
Belmiro de Azevedo	Michel Marie Bon
Bernd Hubert Joachim Bothe	

Sonaecom Group Companies	
Be Artis – Concepção ,Construção e Gestão de Redes de Comunicações, S.A.	Sonaetelecom BV
	Sonaecom, S.G.P.S., S.A.
Be Towering – Gestão de Torres de Telecomunicações, S.A.	Sontária - Empreendimentos Imobiliários, S.A.
Cape Technologies Limited	Tecnológica Telecomunicações LTDA.
Digitmarket – Sistemas de Informação, S.A.	Unipress – Centro Gráfico, Lda
Lugares Virtuais, 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 Telecom, S.G.P.S., S.A.	

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.	Cinclus Imobiliária, S.A.
ARP Alverca Retail Park,SA	Citorres – Sociedade Imobiliária, S.A.
Arrábidashopping – Centro Comercial, S.A.	Coimbrashopping – Centro Comercial, S.A.
Aserraderos de Cuellar, S.A.	Colombo Towers Holding, BV
Atlantic Ferries – Tráf.Loc,Flu.e Marít, S.A.	Contacto Concessões, SGPS, S.A.
Avenida M – 40 B.V.	Contibomba – Comérc.Distr.Combustiveis, S.A.

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	HighDome PCC Limited
Discovery Sports, SA	Iberian Assets, S.A.
Dortmund Tower GmbH	Igimo – Sociedade Imobiliária, S.A.
Dos Mares – Shopping Centre B.V.	Iginha – Sociedade Imobiliária, S.A.
Dos Mares – Shopping Centre, S.A.	Imoareia – Invest. Turísticos, SGPS, S.A.
Ecociclo – Energia e Ambiente, S.A.	Imobiliária da Cacela, S.A.
Ecociclo II	Imoclub – Serviços Imobilários, S.A.
Edições Book.it, S.A.	Imoconti – Soc.Imobiliária, S.A.
Edificios Saudáveis Consultores, S.A.	Imodivor – Sociedade Imobiliária, S.A.
Efanor Investimentos, SGPS, S.A.	Imoestrutura – Soc.Imobiliária, S.A.
Efanor Serviços de Apoio à Gestão, S.A.	Imoferro – Soc.Imobiliária, S.A.
El Rosal Shopping, S.A.	Imohotel – Emp.Turist.Imobiliários, S.A.
Emfísico Boavista	Imomuro – Sociedade Imobiliária, S.A.
Empreend.Imob.Quinta da Azenha, S.A.	Imopenínsula – Sociedade Imobiliária, S.A.
Equador & Mendes, Lda	Imoplamac Gestão de Imóveis, S.A.
Espimaia – Sociedade Imobiliária, S.A.	Imoponte – Soc.Imobiliaria, S.A.
Estação Viana – Centro Comercial, S.A.	Imoresort – Sociedade Imobiliária, S.A.
Estêvão Neves – Hipermercados Madeira, S.A.	Imoresultado – Soc.Imobiliaria, S.A.
Euroresinas – Indústrias Quimicas, S.A.	Imosedas – Imobiliária e Seviços, S.A.
Farmácia Selecção, S.A.	Imosistema – Sociedade Imobiliária, S.A.
Fashion Division Canárias, SL	Imosonae II
Fashion Division, S.A.	Impaper Europe GmbH & Co. KG
Fontana Corretora de Seguros Ltda	Implantação – Imobiliária, S.A.
Fozimo – Sociedade Imobiliária, S.A.	Infofield – Informática, S.A.
Fozmassimo – Sociedade Imobiliária, S.A.	Infratroia, EM
Freccia Rossa – Shopping Centre S.r.l.	Inparsa – Gestão Galeria Comercial, S.A.
Frieengineering International Ltda	Inparvi SGPS, S.A.
Fundo de Invest. Imobiliário Imosede	Integrum - Energia, SA
Fundo I.I. Parque Dom Pedro Shop.Center	Integrum Colombo Energia, S.A.
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
Glunz AG	La Farga – Shopping Center, SL

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
Marina de Tróia S.A.	Pátio Goiânia Shopping Ltda
Marinamagic – Expl.Cent.Lúdicos Marít, Lda	Pátio Londrina Empreend. e Particip. Ltda
Marmagno – Expl.Hoteleira Imob., S.A.	Pátio Penha Shopping Ltda.
Martimope – Sociedade Imobiliária, S.A.	Pátio São Bernardo Shopping Ltda
Marvero – Expl.Hoteleira Imob., S.A.	Pátio Sertório Shopping Ltda
MDS Affinity - Sociedade de Mediação, Lda	Pátio Uberlândia Shopping Ltda
MDS Consultores, S.A.	Peixes do Continente – Ind.Dist.Peixes, S.A.
MDS Corretor de Seguros, S.A.	Pharmaconcept – Actividades em Saúde, S.A.
MDS Malta Holding Limited	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.
Norscut – Concessionária de Scut Interior Norte, S.A.	Prédios Privados Imobiliária, S.A.

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,SGPS, S.A.
Project Sierra 2 B.V.	Selifa – Empreendimentos Imobiliários, S.A.
Project Sierra 6 BV	Sempre à Mão – Sociedade Imobiliária, S.A.
Project Sierra 7 BV	Sempre a Postos – Produtos Alimentares e Utilidades, Lda
Project Sierra 8 BV	SERENITAS-SOC.MEDIAÇÃO SEG.LDA
Project Sierra 9 BV	Serra Shopping – Centro Comercial, S.A.
Project Sierra Brazil 1 B.V.	Sesagest – Proj.Gestão Imobiliária, S.A.
Project Sierra Charagionis 1 S.A.	Sete e Meio – Invest. Consultadoria, S.A.
Project Sierra Four, SA	Sete e Meio Herdades – Inv. Agr. e Tur., S.A.
Project Sierra Germany Shop. Center 1 BV	Shopping Centre Parque Principado B.V.
Project Sierra Germany Shop. Center 2 BV	Shopping Penha B.V.
Project Sierra Spain 1 B.V.	Siaf – Soc.Iniciat.Aprov.Florestais - Energia, S.A.
Project Sierra Spain 2 – Centro Comer. S.A.	SIAL Participações Ltda
Project Sierra Spain 2 B.V.	Sierra Asset Management – Gest. Activos, S.A.
Project Sierra Spain 3 – Centro Comer. S.A.	Sierra Berlin Holding BV
Project Sierra Spain 3 B.V.	Sierra Central S.A.S
Project Sierra Spain 6 B.V.	Sierra Charagionis Develop.Sh. Centre S.A.
Project Sierra Spain 7 – Centro Comer. S.A.	Sierra Charagionis Propert.Management S.A.
Project Sierra Spain 7 B.V.	Sierra Corporate Services – Ap.Gestão, S.A.
Project Sierra Three Srl	Sierra Corporate Services Holland, BV
Project Sierra Two Srl	Sierra Develop.Iberia 1, Prom.Imob., S.A.
Promessa Sociedade Imobiliária, S.A.	Sierra Development of Shopping Centres Greece, S.A.
Prosa – Produtos e serviços agrícolas, S.A.	Sierra Developments – Serv. Prom.Imob., S.A.
Puravida – Viagens e Turismo, S.A.	Sierra Developments Germany GmbH
Quorum Corretora de seguros LT	Sierra Developments Holding B.V.
Racionaliz. y Manufact.Florestales, S.A.	Sierra Developments Italy S.r.l.
RASO - Viagens e Turismo, S.A.	Sierra Developments Romania, Srl
RASO, SGPS, S.A.	Sierra Developments Spain – Prom.C.Com.SL
Rio Sul – Centro Comercial, S.A.	Sierra Developments, SGPS, S.A.
River Plaza Mall, Srl	Sierra Enplanta Ltda
River Plaza, BV	Sierra European R.R.E. Assets Hold. B.V.

Sierra GP Limited	Sonae Investments, BV
Sierra Investimentos Brasil Ltda	Sonae Novobord (PTY) Ltd
Sierra Investments (Holland) 1 B.V.	Sonae RE, S.A.
Sierra Investments (Holland) 2 B.V.	Sonae Retalho Espana – Servicios Gen., S.A.
Sierra Investments Holding B.V.	Sonae SGPS, S.A.
Sierra Investments SGPS, S.A.	Sonae Sierra Brasil S.A.
Sierra Italy Holding B.V.	Sonae Sierra Brazil B.V.
Sierra Management Germany GmbH	Sonae Sierra, SGPS, S.A.
Sierra Management Greece S.A.	Sonae Tafibra Benelux, BV
Sierra Management Italy S.r.l.	Sonae Turismo – SGPS, S.A.
Sierra Management Portugal – Gest. CC, S.A.	Sonae UK, Ltd.
Sierra Management Romania, Srl	Sonaegest – Soc.Gest.Fundos Investimentos
Sierra Management Spain – Gestión C.Com.S.A.	SONAEMC - Modelo Continente, SGPS, S.A.
Sierra Management, SGPS, S.A.	Sondis Imobiliária, S.A.
SII – Soberana Invest. Imobiliários, S.A.	Sontel BV
SIRS – Sociedade Independente de Radiodifusão Sonora, S.A.	Sontur BV
Sistavac – Sist.Aquecimento,V.Ar C., S.A.	Sonvecap BV
SKK – Central de Distr., S.A.	Sopair, S.A.
SKK SRL	Sotáqua – Soc. de Empreendimentos Turist
SKKFOR – Ser. For. e Desen. de Recursos	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 Industria de Revestimentos, S.A.	Tecmasa Reciclados de Andalucia, SL
Sonae Indústria Manag. Serv, SA	Terra Nossa Corretora de Seguros Ltda
Sonae Investimentos, SGPS, SA	Têxtil do Marco, S.A.

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

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

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

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

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Report available in Sonaecom's institutional website
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