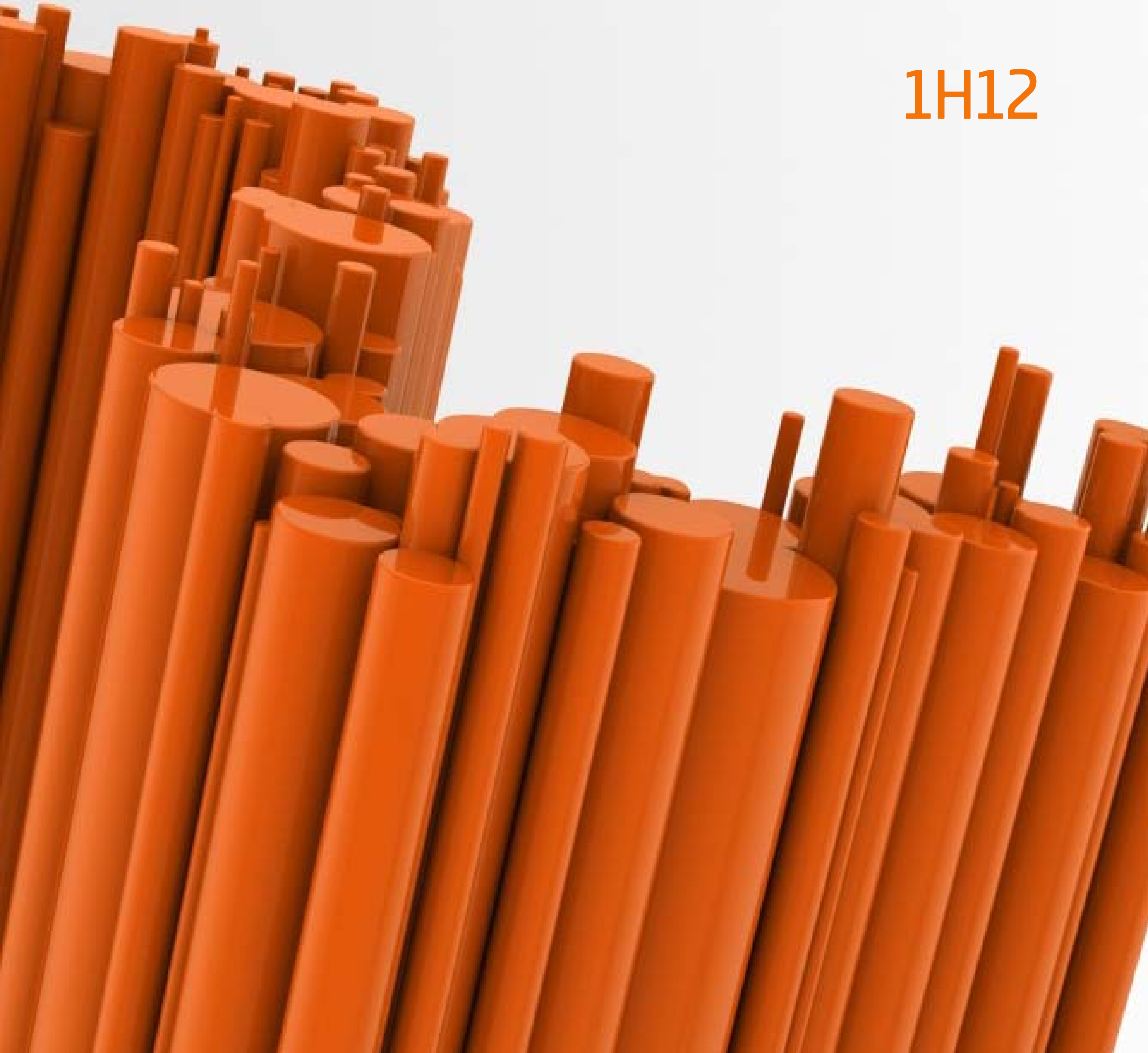
SONAECOM

Management Report and Accounts

1H12



Note:

The Consolidated Financial Information contained in this report was unaudited and has been prepared in accordance with International Financial Reporting Standards (IAS/IFRS) issued by the International Accounting Standards Board (IASB), as adopted by the European Union.

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Highlights

- **Consolidated turnover of 406.9 million euros**
- **EBITDA of 124.5 million euros**
- **EBITDA-operating capex of 65.6 million euros**
- **Net results totals 38.1 million euros**
- **FCF reaches 26.7 million euros (excluding extraordinary impacts)**
- **Net debt to EBITDA ratio of 1.5x**

"2Q12 is the sixteenth consecutive quarter in which we have recorded year-on-year growth in profitability, which provides further evidence of Sonaecom's consistently strong financial performance."

"Differentiating our brand from the competition, by delivering an excellent customer experience, lies at the heart of our strategy. Alongside improving efficiency levels, Optimus won recognition in two business-critical areas: network coverage and customer service. Our network was distinguished in terms of quality both in terms of 2G and 3G coverage. Meanwhile, for the second year running, we won first prize in the 'Best in Customer Service – EMEA' category."

"Driven by WeDo's performance, service revenue growth at SSI more than offset the decline in equipment sales, resulting in growth in total turnover, as well as improved profit margins."

Ângelo Paupério, CEO, Sonaecom

Our business

In 1H12, Sonaecom's turnover benefited from the positive performance of Software and Information Systems (SSI), with 2Q12 service revenues more than offsetting the decline in product sales, which – combined with reduced operating costs – enabled us to achieve an EBITDA growth of 6.1% y.o.y., to 124.5 million euros. Based on our consistent performance over 1H12, our cash flow generation, excluding extraordinary effects, amounted to 26.7 million euros, representing an increase of 21.9% compared to 21.9 million euros in the 1H11. Also, net results rose 19.9% against last year to 38.1 million euros.

During this period, Optimus's operating profitability sustained its upward trend, growing 5.0% y.o.y to 121.9 million euros on the back of efficiency initiatives at the company. In particular, we would highlight the 2Q12 mobile EBITDA margin of 45.4%, up 5.2pp y.o.y. As a result of our focus on deploying our leading edge 4G network, mobile operating capex increased 19.5% to 47.9 million euros.

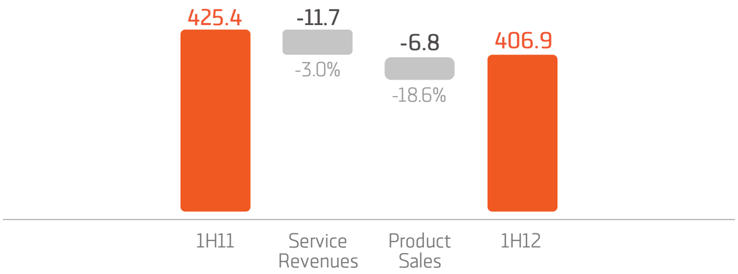
At SSI, following the acquisition in the USA of Connectiv Solutions during April 2012, WeDo Technologies has already been selected by one of the largest US wireless carriers to support its business assurance needs. During 1H12, WeDo's international revenues represented 69.4% of turnover, growing 5.0% versus 1H11.

Throughout 2012, we will continue to deal with the impacts of the consumer spending behaviour on our business, while improving our competitive position.

1. Consolidated results

Turnover

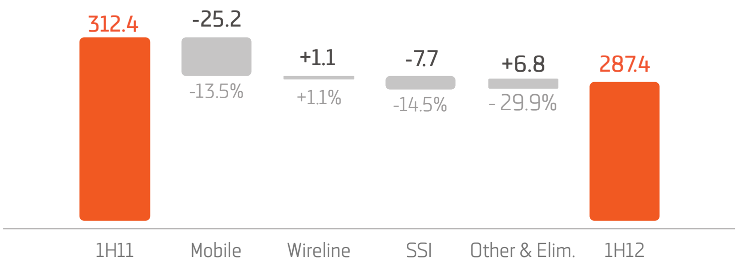
Consolidated turnover in 1H12 stood at 406.9 million euros, 4.3% below 1H11 but slowing down against the 6.2% decline in 1Q12. Here, a significant driver was SSI's turnover growth, with service revenue growth more than offsetting a decline in product sales in this quarter.



The evolution of our consolidated turnover was driven by a decrease of 3.0% in service revenues and a decrease of 18.6% in product sales. The drop in service revenues was driven by Optimus's service revenues, which were impacted by regulated tariffs (mobile termination rates, MTRs, and roaming in) and Portugal's austerity economic environment. The negative growth of product sales is explained by our SSI division, mostly due to Bizdirect, consequence of the termination of the e-initiatives programme and the macroeconomic context.

Operating costs

Operating costs decreased 8.0% between 1H11 and 1H12 to 287.4 million euros. This is explained by the optimisation plan carried out over the past few years at Optimus and the lower cost of goods sold at SSI. With Optimus's ongoing efficiency measures, the company has been reducing its cost structure while achieving significant improvements to several key indicators.

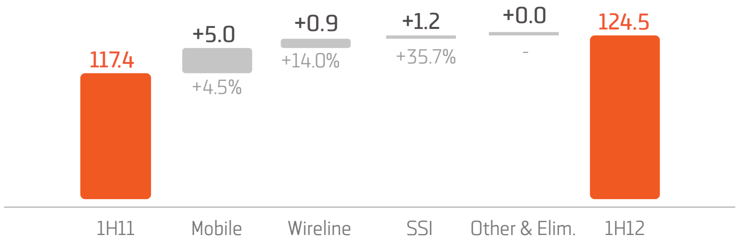


Between 1H11 and 1H12, operating costs as a percentage of turnover decreased 2.9pp.

EBITDA

Our consolidated EBITDA increased 6.1% to 124.5 million euros, more than offsetting the consolidated turnover performance, with all the business divisions evolving positively between the two periods.

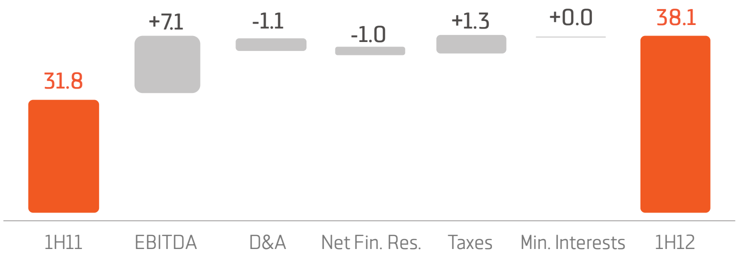
The consolidated EBITDA margin increased 3.0pp from 27.6% to 30.6%. Importantly, the 2Q12 mobile EBITDA margin stood at 45.4%.



Net profit

The net results group share reached 38.1 million euros, growing 19.9% compared to 1H11, mainly driven by the improved EBITDA performance.

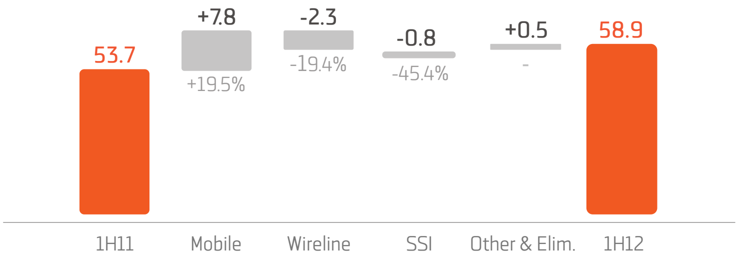
The evolution of our net financial results was primarily impacted by a higher level of financial expenses, the result of a higher average net debt level and a higher cost of debt.



Notwithstanding the higher EBT level, the tax line in 1H12 showed a cost of 6.6 million euros against a cost of 7.9 million euros in 1H11, due to the recognition of additional deferred tax assets.

Operating capex

During the 1H12, operating capex grew 9.7% y.o.y.. This was impacted by the 4G network deployment at our mobile business. Additionally, Optimus continued to implement solutions that enabled us to reduce mobile backhaul costs while decreasing dependency on third-party infrastructure.

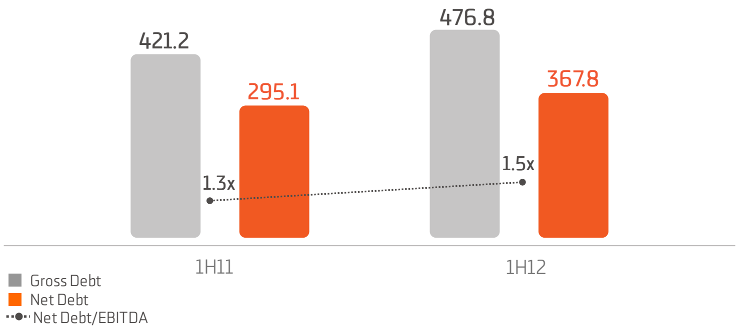


The operating capex as a percentage of turnover increased 1.9pp y.o.y., to 14.5%, driven by the 4G investment cycle.

Capital structure

Consolidated net debt reached 367.8 million euros compared to 355.8 million euros at the end of 1Q12, due to the 25.2 million euros dividend distribution, compensated by the positive FCF generation.

The 1H12 net debt increased 24.7% against 1H11, driven mostly by the 83.0 million euros outflow related to the spectrum acquisition. The net debt to EBITDA ratio increased from 1.3x to 1.5x in 1H12, due to a higher net debt level, which more than offsets the positive EBITDA performance.



In 1H12, total credit facilities amounted to 549.0 million euros while the all-in average cost of debt reached 3.25%.

Free cash flow (FCF)

FCF stood at negative 72.3 million euros in 1H12, impacted by (i) the outflow of 10.0 million euros related to the securitisation operation; (ii) the 83.0 million euros outflow in January, relating to the spectrum acquisition; and (iii) a payment of 6.0.million euros related to the Connectiv Solutions acquisition at the end of April 2012.

Excluding these effects, 1H12 FCF would have amounted to 26.7 million euros, representing an increase of 21.9% compared to the 21.9 million euros achieved in the 1H11 (excluding the securitisation outflow).

In 2Q12, the 8.8 million euros VAT amount was reimbursed, offsetting the negative extraordinary impact reported in 1Q12.

2. Optimus

- **Optimus EBITDA reaches 121.9 million euros, up 5.0% y.o.y**
- **Optimus mobile EBITDA margin rises to 45.4% in 2Q12, up 5.2pp y.o.y**
- **Data revenues represents 32.8% of mobile service revenues in 2Q12**

Optimus customer experience as a strategic key differentiation driver

While becoming a much more efficient business, Optimus has been achieving important improvements across several key indicators linked to its network and customer service.

In a report published in May 2012, the Optimus network led again in terms of 2G and 3G coverage in urban areas, according to the ICP-ANACOM analysis that evaluated the quality of mobile services and coverage of mobile networks in Portugal.

In May 2012, for the third consecutive year, Optimus customer service was commended at the APCC Portugal Best Awards 2012, winning the prizes at the telecommunications category. In July 2012, the Optimus customer support team participated in the 2012 World Contact Center Award, winning first prize in the 'Best in Customer Service – EMEA' category for the second consecutive time. This category is the most relevant and comprehensive of all categories in the competition, which is considered the world's most important customer care prize.

2.1. Optimus mobile business

In 2Q12, the decline in Optimus's mobile customer revenues accelerated as expected, due to the impact of Portugal's austerity measures. Despite the pressure, the mobile EBITDA margin reached 43.8%, one of the highest margins among third mobile operators in Europe. Driven by efficiencies achieved through our ongoing optimisation plan, it saw us close the gap on our competitors.

2.1.1. Operational data

MOBILE OPERATIONAL KPI's	2Q11	2Q12	Δ 12/11	1Q12	q.o.q.	1H11	1H12	Δ 12/11
Customers (EOP) ('000)	3,586.4	3,565.0	-0.6%	3,609.9	-1.2%	3,586.4	3,565.0	-0.6%
Pre-paid Customers ('000)	2,378.7	2,364.3	-0.6%	2,398.5	-1.4%	2,378.7	2,364.3	-0.6%
Post-paid Customers ('000)	1,207.7	1,200.6	-0.6%	1,211.3	-0.9%	1,207.7	1,200.6	-0.6%
Net Additions ('000)	-19.4	-44.9	-131.6%	-29.5	-52.2%	-17.7	-74.4	-
Data as % Service Revenues	32.8%	32.8%	0.0pp	31.3%	1.4pp	32.0%	32.0%	0.0pp
Non SMS Data as % Data Revenues	77.2%	76.6%	-0.6pp	76.4%	0.1pp	77.0%	76.5%	-0.5pp
Total #SMS/month/user	42.8	41.9	-2.1%	40.6	3.2%	42.5	41.2	-3.0%
MOU(1) (min.)	127.1	123.4	-2.9%	122.2	1.0%	126.3	122.8	-2.8%
ARPU(2) (euros)	13.0	12.0	-7.3%	12.0	-0.1%	12.8	12.0	-6.1%
Customer Monthly Bill	11.3	10.6	-6.1%	10.6	-0.2%	11.1	10.6	-4.8%
Interconnection	1.7	1.4	-15.2%	1.433	0.8%	1.7	1.4	-14.8%
ARPM(3) (euros)	0.10	0.10	-4.6%	0.10	-1.1%	0.10	0.10	-3.5%

(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 3.57 million, down 0.6% y.o.y., driven by the end of the government's e-initiatives programme and the impact of Portugal's austerity measures, mainly in the personal sector.

Mobile customers' ARPU at 1H12 stood at 12.0 euros, with the 2Q12 ARPU stable versus the 1Q12, but decreasing 0.8 euros compared to 1H11. This fall came 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 11.1 euros to 10.6 euros. MOUs decreased 2.8% y.o.y. to an average of 123 minutes per month.

Data services and mobile broadband

Data revenues represented 32.0% of service revenues in 1H12, a flat evolution compared to 1H11. This was fuelled by the increasing smartphone adoption and the increased usage of these mobile devices, compensating for the impact of the end of the e-initiatives programme. However, smartphone penetration is still relatively low in Portugal and, therefore, represents an important growth opportunity. The weight of non-SMS related data remained almost stable between the two periods, decreasing 0.5pp despite the impact of the e-initiatives programme termination.

2.1.2. Financial data

Million euros

MOBILE INCOME STATEMENT	2Q11	2Q12	Δ 12/11	1Q12	q.o.q.	1H11	1H12	Δ 12/11
Turnover	**142.9**	**131.0**	**-8.3%**	**131.5**	**-0.4%**	**280.3**	**262.5**	**-6.4%**
Service Revenues	136.1	125.7	-7.6%	127.0	-1.0%	269.4	252.6	-6.2%
Customer Revenues	118.2	110.6	-6.4%	111.9	-1.2%	233.9	222.4	-4.9%
Operator Revenues	17.9	15.1	-15.5%	15.1	-0.1%	35.6	30.2	-14.9%
Equipment Sales	6.9	5.3	-22.2%	4.5	18.8%	10.9	9.8	-9.9%
Other Revenues	**8.3**	**7.8**	**-6.0%**	**6.8**	**14.6%**	**17.0**	**14.6**	**-14.1%**
Operating Costs	**93.7**	**79.3**	**-15.4%**	**82.9**	**-4.4%**	**187.4**	**162.2**	**-13.5%**
Personnel Costs	12.5	10.1	-19.2%	12.0	-16.1%	25.8	22.1	-14.4%
Direct Servicing Costs(1)	33.8	28.6	-15.2%	29.5	-3.0%	69.9	58.1	-16.9%
Commercial Costs(2)	19.7	13.7	-30.2%	13.6	1.2%	36.6	27.3	-25.3%
Other Operating Costs(3)	27.8	26.8	-3.4%	27.8	-3.6%	55.1	54.7	-0.7%
EBITDA	**57.5**	**59.5**	**3.5%**	**55.4**	**7.5%**	**109.9**	**114.9**	**4.5%**
EBITDA Margin (%)	40.2%	45.4%	5.2pp	42.1%	3.3pp	39.2%	43.8%	4.6pp
Operating CAPEX(4)	23.0	28.1	22.0%	19.8	41.6%	40.1	47.9	19.5%
Operating CAPEX as % of Turnover	16.1%	21.4%	5.3pp	15.1%	6.4pp	14.3%	18.2%	3.9pp
EBITDA - Operating CAPEX	34.5	31.5	-8.8%	35.5	-11.5%	69.8	67.0	-4.1%
Total CAPEX	23.0	29.1	26.5%	19.8	46.9%	40.1	48.9	21.9%

(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.

Turnover

Mobile turnover decreased 6.4% in 1H12 to 262.5 million euros, driven by service revenues and equipment sales. The decline in service revenues was due to a combination of lower customer revenues and lower operator revenues. As we anticipated, customer revenues decreased 4.9% between 1H11 and 1H12 to 222.4 million euros due to the end of the government's e-initiatives programme and due to the negative impact of the austerity on consumption levels, mostly in the personal sector. Operator revenues decreased 14.9% between 1H11 and 1H12 to 30.2 million euros because 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 13.5% y.o.y. to 162.2 million euros, benefiting from (i) a 16.9% 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, (ii) a 25.3% decrease in commercial costs, due to lower level of cost of goods sold (as a result of lower equipment sales) and, mostly, due to lower advertising costs.

EBITDA

Mobile EBITDA increased 4.5% y.o.y. to 114.9 million euros, wholly driven by a 14.6% decrease in operating costs.
The EBITDA margin reached 43.8% in 1H12 against 39.2% in 1H11, an increase of 4.6pp.
EBITDA-operating capex decreased 4.1% y.o.y., due entirely to an increase of 19.5% in operating capex, impacted by the 4G network deployment.

2.2. Optimus wireline business

In 1H12, Optimus continued to achieve a positive performance in the corporate and SMEs segment, critical segment for our strategy. Supported on its integrated and convergent approach, Optimus has been continuously introducing important improvements to its product portfolio in response to market demand.

In the residential segment, Optimus continues to expand its FTTH customer base, which grew almost 50% against last year with 3P penetration surpassing 80%.

2.2.1. Operational data

WIRELINE OPERATIONAL KPI's	2Q11	2Q12	Δ 12/11	1Q12	q.o.q.	1H11	1H12	Δ 12/11
Total Accesses	**388,915**	**354,449**	**-8.9%**	**363,965**	**-2.6%**	**388,915**	**354,449**	**-8.9%**
Corporate and SMEs	**154,651**	**155,143**	**0.3%**	**155,246**	**-0.1%**	**154,651**	**155,143**	**0.3%**
PTSN/RDIS	110,296	111,039	0.7%	111,136	-0.1%	110,296	111,039	0.7%
Broadband	36,122	32,472	-10.1%	33,545	-3.2%	36,122	32,472	-10.1%
Other & Data	8,233	11,632	41.3%	10,565	10.1%	8,233	11,632	41.3%
Residential	**234,264**	**199,306**	**-14.9%**	**208,719**	**-4.5%**	**234,264**	**199,306**	**-14.9%**
PTSN/RDIS	112,044	88,147	-21.3%	94,059	-6.3%	112,044	88,147	-21.3%
Broadband	89,300	74,229	-16.9%	78,017	-4.9%	89,300	74,229	-16.9%
TV	32,920	36,930	12.2%	36,643	0.8%	32,920	36,930	12.2%
Average Revenue per Access - Retail	23.8	23.4	-1.9%	23.0	1.6%	24.0	23.2	-3.3%

Customer base

Optimus continued to expand its presence in the corporate and SMEs segment, with the number of accesses increasing 0.3% to 155 thousand. Besides providing voice and broadband accesses, Optimus also provides an increasing number of e-services (for example: e-fax, e-backup) to the SME segment alongside a growing number of dedicated lines and VPN connections to the corporate segment.

The number of total accesses decreased 8.9% y.o.y. to 354 thousand accesses, driven by the decrease of 14.9% in the residential segment. This was impacted by the decision to abandon residential customer acquisition through the incumbent's infrastructure, which was implemented in 2011.

2.2.2. Financial data

Million euros WIRELINE INCOME STATEMENT	2Q11	2Q12	Δ 12/11	1Q12	q.o.q.	1H11	1H12	Δ 12/11
Turnover	**52.2**	**55.4**	**6.0%**	**53.4**	**3.7%**	**106.9**	**108.8**	**1.7%**
Service Revenues	52.1	53.8	3.2%	52.4	2.6%	106.7	106.2	-0.5%
Customer Revenues	26.6	23.6	-11.5%	24.0	-1.7%	54.3	47.5	-12.5%
Operator Revenues	25.4	30.2	18.7%	28.4	6.2%	52.4	58.6	12.0%
Equipment Sales	0.1	1.6	-	1.0	59.9%	0.2	2.6	-
Other Revenues	**0.3**	**0.4**	**19.0%**	**0.2**	**103.5%**	**0.4**	**0.5**	**33.2%**
Operating Costs	**48.9**	**51.8**	**6.0%**	**50.5**	**2.5%**	**101.2**	**102.3**	**1.1%**
Personnel Costs	0.7	0.9	36.8%	1.0	-7.5%	1.4	1.9	38.4%
Direct Servicing Costs(1)	35.5	37.6	5.9%	37.3	0.9%	73.0	74.9	2.5%
Commercial Costs(2)	2.0	4.0	99.2%	3.6	10.4%	5.0	7.6	52.8%
Other Operating Costs(3)	10.7	9.3	-13.2%	8.7	7.2%	21.8	17.9	-17.8%
EBITDA	**3.7**	**3.9**	**7.0%**	**3.1**	**28.4%**	**6.1**	**7.0**	**14.0%**
EBITDA Margin (%)	7.0%	7.1%	0.1pp	5.7%	1.4pp	5.7%	6.4%	0.7pp
Operating CAPEX(4)	6.2	5.3	-14.9%	4.3	24.9%	11.9	9.6	-19.4%
Operating CAPEX as % of Turnover	12.0%	9.6%	-2.4pp	8.0%	1.6pp	11.1%	8.8%	-2.3pp
EBITDA - Operating CAPEX	-2.6	-1.4	46.0%	-1.2	-16.1%	-5.8	-2.6	55.0%
Total CAPEX	6.2	5.3	-14.9%	4.3	24.9%	11.9	9.6	-19.4%

(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.

Turnover
Wireline turnover increased 1.7% y.o.y. to 108.8 million euros due entirely to a 12.0% growth in the level of operator revenues. This growth was driven by an increase in traffic levels despite a decrease in wholesale traffic prices.

Operating costs
Wireline operating costs suffered a 1.1% y.o.y. increase to 102.3 million euros, driven by the 2.5% increase in direct servicing costs. This was due to the higher level of interconnection costs, the consequence of an increase in wholesale traffic, despite the decrease in ULL accesses. Commercial costs increased to 7.6 million euros due to the higher costs of goods sold as well as marketing costs. Other operating costs decreased 17.8% primarily due to lower outsourcing costs.

EBITDA
As a result of our revenue and cost performance, the 1H12 Wireline EBITDA increased 14.0% y.o.y., reaching 7.0 million euros. The EBITDA margin increased from 5.7% to 6.4%, growing 0.7pp y.o.y.. EBITDA-operating capex improved 55.0%, between the two periods, reaching a negative 2.6 million euros. This was supported by a higher EBITDA and lower operating capex.

3. Software and Information Systems

WeDo Technologies, SSI's largest company in terms of service revenues, continued to expand 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 1H12, its international revenues represented 69.4% of its turnover, growing 5.0% compared to 1H11.

In April 2012, with the acquisition of Connectiv Solutions, WeDo Technologies ensured a solid basis in the USA with a Software as a Service (SaaS) operation, reinforcing its position in the business assurance telecoms market. In July 2012, one of the largest wireless carriers in the United States selected WeDo's flagship product, RAID, to support the company's revenue and billing assurance needs, a deal that leverages assets from both WeDo Technologies and Connectiv Solutions.

Mainroad, specialising in IT management, security and business continuity, was able to increase its service revenues by 2.1%, improving its EBITDA almost 90% between 1H11 and 1H12, despite the challenging market conditions.

Bizdirect, affected by the end of the e-initiatives programme and by the macroeconomic landscape, reported a turnover decline of almost 40%. 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. We would like to highlight the company's growth of 29.0% in international revenues against 1H11.

Saphety strengthened its position as a leading player in solutions for simplifying and automating processes in the domestic market. It also increased its customer base worldwide with international revenues already representing 15.2% of total turnover.

3.1. Operational data

SSI OPERATIONAL KPI's	2Q11	2Q12	Δ 12/11	1Q12	q.o.q.	1H11	1H12	Δ 12/11
IT Service Revenues/Employee(1) ('000 euros)	32.7	34.7	6.1%	33.0	5.0%	65.3	67.8	3.8%
Equipment Sales as % Turnover	22.1%	18.6%	-3.5pp	26.3%	-7.8pp	36.1%	22.4%	-13.7pp
Equipment Sales/Employee(2) ('000 euros)	202.8	219.3	8.1%	303.9	-27.8%	807.3	523.2	-35.2%
EBITDA/Employee ('000 euros)	2.5	3.6	41.7%	0.0	-	5.9	3.7	-37.0%
Employees	572	603	5.4%	561	7.5%	572	603	5.4%

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

IT service revenues per employee reached 67.8 thousand euros in 1H12, 3.8% above 1H11, with service revenues growth more than compensating the 5.4% increase in the headcount.
Equipment sales as percentage of turnover decreased y.o.y. from 36.1% to 22.4%, driven by Bizdirect equipment sales.

3.2. Financial data

Million euros

SSI CONSOLIDATED INCOME STATEMENT	2Q11	2Q12	Δ 12/11	1Q12	q.o.q.	1H11	1H12	Δ 12/11
Turnover	**23.0**	**24.8**	**8.0%**	**24.2**	**2.3%**	**55.9**	**49.0**	**-12.3%**
Service Revenues	17.9	20.2	12.9%	17.8	13.1%	35.7	38.0	6.5%
Equipment Sales	5.1	4.6	-9.2%	6.4	-27.8%	20.2	11.0	-45.6%
Other Revenues	**0.1**	**0.2**	**56.1%**	**0.5**	**-65.1%**	**0.3**	**0.7**	**154.4%**
Operating Costs	**21.6**	**22.8**	**5.5%**	**22.2**	**2.8%**	**52.8**	**45.2**	**-14.5%**
Personnel Costs	7.4	8.1	10.1%	7.1	14.3%	15.0	15.3	1.9%
Commercial Costs(1)	5.2	5.1	-1.6%	6.5	-22.2%	20.3	11.6	-42.7%
Other Operating Costs(2)	9.1	9.6	5.8%	8.7	10.4%	17.6	18.3	4.1%
EBITDA	**1.4**	**2.2**	**49.3%**	**2.4**	**-10.6%**	**3.4**	**4.6**	**35.7%**
EBITDA Margin (%)	6.3%	8.7%	2.4pp	9.9%	-1.3pp	6.0%	9.3%	3.3pp
Operating CAPEX(3)	1.0	0.2	-75.7%	0.8	-69.0%	1.8	1.0	-45.4%
Operating CAPEX as % of Turnover	4.3%	1.0%	-3.3pp	3.2%	-2.2pp	3.3%	2.0%	-1.2pp
EBITDA - Operating CAPEX	0.5	1.9	-	1.6	16.6%	1.5	3.6	133.7%
Total CAPEX	1.0	10.3	-	0.8	-	1.8	11.0	-

(1) Commercial Costs = COGS + Mktg & Sales; (2) Other Operating Costs = Outsourcing Services + G&A + Provisions + others; (3) Operating CAPEX excludes Financial Investments,

Turnover

SSI's turnover decreased y.o.y. by 12.3% to 49.0 million euros, impacted by the 45.6% drop in equipment sales at Bizdirect. Service revenues continued to rise, growing 6.5% y.o.y. and already benefiting from the acquisition of Connectiv Solutions. Since 1 May 2012, Connectiv Solutions results have been consolidated into SSI's accounts. On a like-for-like basis, service revenues would have grown 3.6% y.o.y..
It should be noted that SSI turnover increased 8.0% to 24.8 million euros between 2Q11 and 2Q12, now more than offsetting the decline in product sales.

Operating costs

SSI operating costs decreased y.o.y. by 14.5% to 45.2 million euros. The 42.7% decrease in the level of commercial costs is mostly a direct result of the lower cost of goods sold level at Bizdirect. Personnel costs increased 1.9% following the integration of Connectiv Solutions staff. The increase in other operating costs relates mainly to higher outsourcing costs, aimed at supporting the increased number of projects in course, as reflected in service revenues.

EBITDA

During 1H12, EBITDA reached 4.6 million euros, increasing 35.7% compared to 1H11. This was due to higher service revenues and lower operating costs. As a result of (i) the lower equipment sales, (ii) the higher service revenues and (iii) the decrease in operating costs, the EBITDA margin increased y.o.y. from 6.0% to 9.3%, up 3.3pp.
Excluding the effect of Connectiv Solutions' consolidation, the EBITDA would have increased 27.2% against 1H11.

4. Online & Media

Sonaecom's Online & Media business comprises a set of additional businesses such as Miau.pt and Público.

Motivated by the digital Público's global number of readers is increasing, amounting to the highest values ever. Currently, Público is a clear leader on social networks, exceeding 250 thousand followers on Facebook. Digital revenues have been growing, but until now they have not been enough to offset falling revenues from advertising and offline circulation.

The considerably lower level of advertising sales against the negative macroeconomic backdrop inevitably impacted the Online & Media EBITDA. Even so, at a negative 1.33 million euros, the EBITDA almost remained stable in 1H12 versus 1H11.

5. Sonaecom SGPS Individual Results

5.1. Operational data

Sonaecom SGPS individual results for the periods ended 30 June 2012 and 2011 can be summarised as follows:

Million euros	2011	2012	Difference	%
Service Revenues	2.0	**1.9**	(0.1)	-3%
Other Operating Revenues	0.1	**0.0**	(0.1)	-100%
Operating Costs (1)	(2.5)	**(2.2)**	0.3	-12%
EBITDA	(0.5)	**(0.3)**	0.1	-31%
EBIT	(0.5)	**(0.3)**	0.1	-29%
Dividend Received	0.0	**78.9**	78.9	-
Net Financial Activity	5.4	**0.2**	(5.3)	-97%
Other Financial Results	(3.4)	**(3.8)**	(0.4)	12%
EBT	1.5	**74.9**	73.3	4746%
Net Income	(0.3)	**74.9**	75.2	-23146%

(1) Excludes Amortization, Depreciation and Provisions

Service revenues totalled 1.9 million euros, which compares to 2.0 million last year and essentially comprises management services provided to its subsidiaries.

At 30 June 2012, Sonaecom SGPS had 4 board members (the same of last year). The amount of operational costs (excluding depreciation, amortization charges and provisions) totalled 2.2 million euros, which compares with 2.5 million euros in 2011, being this significantly caused by lower personnel costs and lower outsourcing costs.

EBITDA was a negative 0.3 million euros compared to a negative 0.5 million euros in 2011. The decrease in service revenues were compensated for opex decreases.

Sonaecom's SGPS's principal source of financial income in 2012 was the 78.9 million euros dividends received from Optimus – Comunicações, S.A. (46.7 million euros), from Sonae Telecom SGPS (17.4 million euros), from Sontaria (0.6 million euros) and from Sonaecom Sistemas de Informação (14.1 million euros). In 2011, Sonaecom didn't receive dividends from its subsidiaries.

Net financial activity (interest income less interest expenses) was a positive 0.2 million euros, significantly below 2011 (5.4 million euros) due to a higher level of cost of debt and lower loans granted to subsidiaries which resulted in lower interest income.

Other financial results were a negative 3.8 million euros, almost totally driven by impairment recognition on Público (2.9 million euros) and Lugares Virtuais (0.4 million euros).

Net results for the semester were positive by 74.9 million euros, significantly higher than 2011 due to the higher level of dividends.

5.2. Financial data

The following table summarises the major cash movements that occurred during 1H12:

Changes in Sonaecom SGPS Liquidity	million euros
Sonaecom SGPS stand-alone liquidity as at 31 December 2011	**61.3**
Cash and Bank	0.1
Treasury Applications	61.2
Bank	60.0
Subsidiaries	1.2
Changes in Nominal Gross Debt	**(12.3)**
External Debt	5.0
Treasury applications from subsidiaries	(17.3)
Shareholder Loans granted	**(20.8)**
Dividend paid	**(25.2)**
Free Cash Flow	**75.8**
Interest paid	(7.7)
Interest received	4.1
Own shares acquisition	(2.2)
Dividend received	78.9
Operational Free Cash Flow and others	2.7
Sonaecom SGPS stand-alone liquidity as at 30 June 2012	**78.8**
Cash and Bank	0.1
Treasury Applications	78.7
Bank	17.3
Subsidiaries	61.4

* Net of transfers to Supplementary Capital

During 1H12, Sonaecom's stand-alone liquidity increased 17.5 million euros to 78.8 million euros due to the following movements:

(i) External Debt increased 5.0 million euros;
(ii) FCF was positive by 75.8 million euros;
but
(iii) Treasury applications from subsidiaries in Sonaecom SGPS decreased 17.3 million euros (mostly justified by Optimus: 10.0 million euros);
(iv) Loans granted to subsidiaries was 20.8 million euros (net of conversions to Supplementary Capital); and
(v) Dividends of 25.2 million euros were paid.

At the end of June, net debt of Sonaecom SGPS was 365.7 million euros, comprising: (i) Liquidity of 78.8million euros; (ii) Treasury applications by the subsidiaries of 1.6 million euros; and (iii) External debt of 442.9 million euros.

6. Main regulatory developments in 2Q12

MTR's glide path

2 May 2012

ICP-Anacom released the final decision on MTRs. This decision established a decrease from 7 May to 30 December 2012.

ICP-Anacom final decision - 2 May 2012

	MTR's/€
-	0.0350
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.

Renewal of rights of use of frequencies the 900 and 1800 MHz band

24 May 2012

ICP-ANACOM has approved the final decision on the renewal of rights of use of the frequencies allocated during 1997 to Optimus in the 900 and 1800 MHz frequency bands.
The rights of use were extended by 15 years to November 2027 and the conditions for the renewal include the obligation to maintain the current levels of coverage for voice and data services (up to 9600 bps) and to cover local or specific areas determined by the regulator.

Universal Service (US) Funding

25 May 2012

The Government presented a draft law establishing the conditions for the compensation fund to finance the excessive net costs arising from the terms of the US.

According to the draft-law, telecom providers must contribute to the fund if the eligible turnover represents 1% of the industry's turnover. The eligible turnover corresponds to the value of sales and services in the national territory, deducted from the revenues of activities not related to provision of electronic communications services, revenues from transactions between entities belonging to the same company and the equipment sales.

The Government's proposals foresees that the fund should finance the excessive costs of US after the designation of the new US providers through a public tender and also before such a tender is completed.

7. Main corporate developments in 2Q12

Acquisition of own shares

2 April to 25 May 2012

In accordance with 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 2 April and 25 May 2012 a total of 1,958,554 shares representing approximately 0.53% of its share capital through the Euronext Lisbon Stock Exchange. As of 30 June 2012, Sonaecom held 6,897,791 own shares, representing 1.88% of its share capital.

Annual General Meeting

27 April 2012

Sonaecom shareholders decided at the Company's Annual General Meeting:

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.

Acquisition of Connectiv Solutions

30 April 2012

WeDo Technologies acquired Connectiv Solutions, a US-based company that provides management of telecommunications network usage expenses. The deal will strengthen WeDo Technologies' presence in North America, bringing a huge boost to the company's geographical strategy and further cement the company's global leadership position in revenue and business assurance.

8. Appendix

8.1. Sonaecom consolidated income statement

Million euros

CONSOLIDATED INCOME STATEMENT	2Q11	2Q12	Δ 12/11	1Q12	q.o.q.	1H11	1H12	Δ 12/11
Turnover	**209.6**	**204.5**	**-2.4%**	**202.5**	1.0%	**425.4**	**406.9**	**-4.3%**
Mobile	142.9	131.0	-8.3%	131.5	-0.4%	280.3	262.5	-6.4%
Wireline	52.2	55.4	6.0%	53.4	3.7%	106.9	108.8	1.7%
SSI	23.0	24.8	8.0%	24.2	2.3%	55.9	49.0	-12.3%
Other & Eliminations	-8.5	-6.7	21.7%	-6.6	-0.6%	-17.7	-13.3	24.8%
Other Revenues	2.0	**2.7**	36.5%	2.3	14.4%	4.3	**5.0**	**15.3%**
Operating Costs	**149.6**	**142.9**	**-4.4%**	**144.5**	**-1.1%**	**312.4**	**287.4**	**-8.0%**
Personnel Costs	22.9	22.2	-3.3%	22.0	0.6%	47.3	44.2	-6.5%
Direct Servicing Costs(1)	60.1	58.7	-2.2%	58.7	0.1%	124.5	117.5	-5.7%
Commercial Costs(2)	27.7	24.0	-13.4%	25.6	-6.3%	63.1	49.5	-21.6%
Other Operating Costs(3)	38.9	38.1	-2.2%	38.2	-0.3%	77.4	76.2	-1.6%
EBITDA	**61.9**	**64.2**	**3.6%**	**60.3**	**6.4%**	**117.4**	**124.5**	**6.1%**
EBITDA Margin (%)	29.6%	**31.4%**	1.8pp	29.8%	1.6pp	27.6%	**30.6%**	3.0pp
Mobile	57.5	59.5	3.5%	55.4	7.5%	109.9	114.9	4.5%
Wireline	3.7	3.9	7.0%	3.1	28.4%	6.1	7.0	14.0%
SSI	1.4	2.2	49.3%	2.4	-10.6%	3.4	4.6	35.7%
Other & Eliminations	-0.7	-1.4	-107.2%	-0.5	-176.1%	-2.0	-1.9	6.0%
Depreciation & Amortization	37.2	37.2	0.0%	36.8	1.1%	72.9	74.0	1.5%
EBIT	**24.7**	27.0	**9.2%**	**23.5**	**14.8%**	**44.5**	50.5	**13.6%**
Net Financial Results	**-2.5**	-3.5	**-39.5%**	**-2.3**	**-50.7%**	**-4.8**	-5.8	**-21.8%**
Financial Income	1.7	1.4	-14.3%	2.2	-33.4%	3.2	3.6	13.8%
Financial Expenses	4.2	4.9	17.9%	4.5	10.1%	7.9	9.4	18.6%
EBT	**22.2**	23.5	**5.8%**	**21.2**	**10.9%**	**39.7**	44.7	**12.6%**
Tax results	-4.1	-2.4	43.1%	-4.3	44.7%	-7.9	-6.6	16.8%
Net Results	**18.1**	21.2	**16.9%**	**17.0**	**24.8%**	**31.8**	38.1	**20.0%**
Group Share	18.1	21.2	16.6%	17.0	24.6%	31.8	38.1	19.9%
Attributable to Non-Controlling Interests	0.0	0.0	-	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.

8.2. Sonaecom consolidated balance sheet

Million euros CONSOLIDATED BALANCE SHEET	2Q11	2Q12	Δ 12/11	1Q12	q.o.q.	1H11	1H12	Δ 12/11
Total Net Assets	**1,853.4**	**1925.5**	**3.9%**	**1,898.9**	**1.4%**	**1,853.4**	**1925.5**	**3.9%**
Non Current Assets	1,493.3	1,584.0	6.1%	1,582.0	0.1%	1,493.3	1,584.0	6.1%
Tangible and Intangible Assets	863.3	957.9	11.0%	961.1	-0.3%	863.3	957.9	11.0%
Goodwill	526.1	529.6	0.7%	521.1	1.6%	526.1	529.6	0.7%
Investments	0.2	0.2	1.7%	0.2	0.0%	0.2	0.2	1.7%
Deferred Tax Assets	103.5	95.9	-7.3%	99.3	-3.4%	103.5	95.9	-7.3%
Others	0.3	0.3	10.6%	0.3	3.8%	0.3	0.3	10.6%
Current Assets	360.1	341.5	-5.2%	316.9	7.7%	360.1	341.5	-5.2%
Trade Debtors	109.5	121.1	10.6%	107.4	12.8%	109.5	121.1	10.6%
Liquidity	126.1	109.0	-13.6%	99.9	9.1%	126.1	109.0	-13.6%
Others	124.4	111.3	-10.5%	109.6	1.5%	124.4	111.3	-10.5%
Shareholders' Funds	**1,002.5**	**1,046.9**	**4.4%**	**1,052.8**	**-0.6%**	**1,002.5**	**1,046.9**	**4.4%**
Group Share	1,002.1	1046.5	4.4%	1,052.4	-0.6%	1,002.1	1046.5	4.4%
Non-Controlling Interests	0.5	0.4	-16.7%	0.4	4.2%	0.5	0.4	-16.7%
Total Liabilities	**850.9**	**878.6**	**3.3%**	**846.1**	**3.8%**	**850.9**	**878.6**	**3.3%**
Non Current Liabilities	460.9	249.6	-45.8%	399.3	-37.5%	460.9	249.6	-45.8%
Bank Loans	370.2	146.3	-60.5%	289.6	-49.5%	370.2	146.3	-60.5%
Provisions for Other Liabilities and Charges	34.2	47.1	37.7%	47.5	-0.8%	34.2	47.1	37.7%
Others	56.5	56.2	-0.5%	62.2	-9.7%	56.5	56.2	-0.5%
Current Liabilities	390.0	629.0	61.3%	446.8	40.8%	390.0	629.0	61.3%
Bank Loans	30.3	307.5	-	143.3	114.6%	30.3	307.5	-
Trade Creditors	143.7	142.2	-1.0%	134.4	5.8%	143.7	142.2	-1.0%
Others	216.0	179.3	-17.0%	169.1	6.0%	216.0	179.3	-17.0%
Operating CAPEX(1)	30.2	33.3	10.4%	25.6	30.3%	53.7	58.9	9.7%
Operating CAPEX as % of Turnover	14.4%	16.3%	1.9pp	12.6%	3.7pp	12.6%	14.5%	1.9pp
Total CAPEX	30.2	43.3	43.6%	25.6	69.5%	53.7	68.9	28.3%
EBITDA - Operating CAPEX	31.8	30.9	-2.8%	34.7	88.9%	63.7	65.6	3.1%
Operating Cash Flow(2)	55.9	31.7	-43.3%	-76.3	41.6%	30.6	-44.6	-
FCF(3)	47.1	14.2	-69.9%	-86.5	16.4%	11.9	-72.3	-
Gross Debt	421.2	476.8	13.2%	455.7	4.6%	421.2	476.8	13.2%
Net Debt	295.1	367.8	24.7%	355.8	3.4%	295.1	367.8	24.7%
Net Debt/ EBITDA last 12 months	1.3 x	1.5 x	0.3x	1.5 x	0.0x	1.3 x	1.5 x	0.3x
EBITDA/Interest Expenses(4) (last 12 months)	16.3 x	14.9 x	-1.5x	15.3 x	-0.4x	16.3 x	14.9 x	-1.5x
Debt/Total Funds (Debt + Shareholders' Funds)	29.6%	31.3%	1.7pp	30.2%	1.1pp	29.6%	31.3%	1.7pp
Excluding the Securitisation Transaction:								
Net Debt	344.6	394.6	14.5%	387.6	1.8%	344.6	394.6	14.5%
Net Debt/ EBITDA last 12 months	1.5 x	1.6 x	0.2x	1.6 x	0.0x	1.5 x	1.6 x	0.2x
EBITDA/Interest Expenses(4) (last 12 months)	16.3 x	14.9 x	-1.5x	15.3 x	-0.4x	16.3 x	14.9 x	-1.5x

(1) Operating CAPEX excludes Financial 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;

8.3. Sonaecom levered FCF

Million euros

LEVERED FREE CASH FLOW	2Q11	2Q12	Δ 12/11	1Q12	q.o.q.	1H11	1H12	Δ 12/11
EBITDA-Operating CAPEX	**31.8**	**30.9**	**-2.8%**	**34.7**	**-11.1%**	**63.7**	**65.6**	**3.1%**
Change in WC	22.8	2.9	-87.2%	-109.5	-	-35.8	-106.5	-197.2%
Non Cash Items & Other	1.3	-2.1	-	-1.6	-35.4%	2.7	-3.7	-
Operating Cash Flow	**55.9**	**31.7**	**-43.3%**	**-76.3**	**-**	**30.6**	**-44.6**	**-**
Securitisation Transaction	-5.0	-5.0	0.0%	-5.0	0.0%	-10.0	-10.0	0.0%
Investments	0.0	-6.0	-	0.0	-	0.0	-6.0	-
Own shares	0.0	-2.5	-	-0.7	-	-2.2	-3.2	-45.3%
Financial results	-2.8	-2.4	15.0%	-3.2	24.9%	-4.8	-5.6	-17.8%
Income taxes	-1.0	-1.6	-72.1%	-1.2	-32.2%	-1.7	-2.9	-72.0%
FCF	**47.1**	**14.2**	**-69.9%**	**-86.5**	**-**	**11.9**	**-72.3**	**-**

8.4. Sonaecom headcount

Sonaecom	2Q11	2Q12	Δ 12/11	1Q12	q.o.q.	1H11	1H12	Δ 12/11
Total Employees	**2,066**	**2,019**	**-2.3%**	**2,011**	**0.4%**	**2,066**	**2,019**	**-2.3%**
Shared Services and Corporate Centre	141	139	-1.4%	137	1.5%	141	139	-1.4%
Telecommunications	1,089	1,025	-5.9%	1,061	-3.4%	1,089	1,025	-5.9%
SSI	574	603	5.1%	561	7.5%	574	603	5.1%
Online & Media	262	252	-3.8%	252	0.0%	262	252	-3.8%

8.5. Optimus consolidated income statement

Million euros

OPTIMUS INCOME STATEMENT	2Q11	2Q12	Δ 12/11	1Q12	q.o.q.	1H11	1H12	Δ 12/11
Turnover	**186.2**	**178.9**	**-3.9%**	**176.7**	**1.2%**	**368.9**	**355.6**	**-3.6%**
Service Revenues	179.2	172.0	-4.0%	171.3	0.4%	357.8	343.3	-4.1%
Customer Revenues	144.4	133.7	-7.4%	135.4	-1.3%	287.4	269.2	-6.4%
Operator Revenues	34.8	38.3	10.1%	35.8	6.9%	70.4	74.1	5.2%
Equipment Sales	7.0	6.9	-1.4%	5.5	26.6%	11.1	12.4	11.3%
Other Revenues	**2.9**	**3.3**	**14.9%**	**2.6**	**25.5%**	**6.1**	**5.9**	**-2.0%**
Operating Costs	**127.9**	**118.7**	**-7.1%**	**120.9**	**-1.8%**	**258.9**	**239.7**	**-7.4%**
Personnel Costs	13.1	11.0	-16.2%	13.0	-15.3%	27.1	24.0	-11.7%
Direct Servicing Costs(1)	60.0	58.6	-2.5%	58.5	0.2%	124.3	117.0	-5.8%
Commercial Costs(2)	21.7	17.7	-18.3%	17.2	3.2%	41.5	34.9	-16.0%
Other Operating Costs(3)	33.0	31.5	-4.8%	32.3	-2.6%	66.0	63.8	-3.3%
EBITDA	**61.2**	**63.5**	**3.8%**	**58.4**	**8.7%**	**116.1**	**121.9**	**5.0%**
EBITDA Margin (%)	32.9%	35.5%	2.6pp	33.1%	2.4pp	31.5%	34.3%	2.8pp
Operating CAPEX(4)	29.3	33.3	13.6%	25.5	30.8%	52.1	58.8	**12.8%**
Operating CAPEX as % of Turnover	15.8%	18.6%	2.9pp	14.4%	4.2pp	14.1%	16.5%	2.4pp
EBITDA - Operating CAPEX	31.8	30.1	-5.3%	32.9	-8.4%	63.9	63.1	**-1.4%**
Total CAPEX	29.4	34.4	17.1%	25.5	34.9%	52.2	59.9	**14.8%**

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

9. Corporate Governance

Sonaecom's detailed corporate governance report is integrated in Sonaecom's 2011 annual report and accounts and is available on our website (www.sonae.com).
Our website also contains a section fully dedicated to corporate governance

10. Article 447, 448 and Qualified Holdings

Article 447

In accordance with article 447 of the Portuguese Company Law and CMVM Regulation no. 5/2008
Shares held by the Board of Directors and Management and respective transactions during the first half 2012:

Board of Directors

		Additions		Reductions		Balance at 30 June 2012
	Date	Quantity	Average value €	Quantity	Average value €	Quantity
Duarte Paulo Teixeira de Azevedo						
Efanor Investimentos, SGPS, SA (1)						1
Migracom, SGPS, SA (3)						1.969.996
Sonae, SGPS, SA (6)						3.293 a)
Shares attributed under the company's remuneration policy	30.03.2012	451.068	0.00			
Shares attributed under the company's remuneration policy	27.04.2012	619.326	0.00			
Sale	27.04.2012			1.068.101	0.405	
Ângelo Gabriel Ribeirinho dos Santos Paupério						
Sonae, SGPS, SA (6)						584.562
Shares attributed under the Medium Term Incentive Plan	09.03.2012	229.329	0.00			
Sonaecom, SGPS, SA (9)						440.070
Shares attributed under the Medium Term Incentive Plan	09.03.2012	147.984	0.00			
Miguel Nuno Santos Almeida						
Sonae, SGPS, SA (6)						127.168
Shares attributed under the Medium Term Incentive Plan	09.03.2012	67.715	0.00			
Sonaecom, SGPS, SA (9)						138.779 b)
Shares attributed under the Medium Term Incentive Plan	09.03.2012	67.971	0.00			
Maria Cláudia Teixeira de Azevedo						
Efanor Investimentos, SGPS, SA (1)						1
Linhacom, SGPS, SA (4)						99.996
Sonae, SGPS, SA (6)						-
Shares attributed under the Medium Term Incentive Plan	09.03.2012	48.884	0.00			
Sale	21.05.2012			48.884	0.398	
Sonaecom, SGPS, SA (9)						170 c)
Shares attributed under the Medium Term Incentive Plan	09.03.2012	49.069	0.00			
Sale	21.05.2012			49.069	1.120	
António Bernardo Aranha da Gama Lobo Xavier						
Sonae, SGPS, SA (6)						130.077
Shares attributed under the Medium Term Incentive Plan	09.03.2012	59.848	0.00			
Sonaecom, SGPS, SA (9)						61.937
Shares attributed under the Medium Term Incentive Plan	09.03.2012	60.074	0.00			
Sale	02.04.2012			80.000	1.206	
Acquisition	02.04.2012	56.232	1.250			

a) This balance includes 1,000 shares held by descendants in his charge.
b) This balance includes 90 shares held by spouse.
c) Shares held by spouse.

Article 447

In accordance with article 447 of the Portuguese Company Law and CMVM Regulation no. 5/2008 (continued):

Management

		Additions		Reductions		Balance at 30 June 2012
	Date	Quantity	Average value €	Quantity	Average value €	Quantity
David Graham Shenton Bain						
Sonae, SGPS, SA (6)						20.000
Sonaecom, SGPS, SA (9)						15.000
Ana Paula Garrido Pina Marques						
Sonae, SGPS, SA (6)						11.000 d)
Sonaecom, SGPS, SA (9)						58.443 e)
Shares attributed under the Medium Term Incentive Plan	09.03.2012	30.202	0.00			
Manuel António Neto Portugal Ramalho Eanes						
Sonaecom, SGPS, SA (9)						-
Shares attributed under the Medium Term Incentive Plan	09.03.2012	34.149	0.00			
Sale	30.03.2012			49.687	1.202	
David Pedro Oliveira Parente Ferreira Alves						
Sonae, SGPS, SA (6)						11.141 f)
Sonaecom, SGPS, SA (9)						128.777 g)
Shares attributed under the Medium Term Incentive Plan	09.03.2012	49.306	0.00			
Shares attributed under the company's remuneration policy	17.05.2012	8.615	0.00			
Rui José Gonçalves Paiva						
Sonaecom, SGPS, SA (9)						41.700 h)
Shares attributed under the Medium Term Incentive Plan	30.03.2012	40.658	0.00			
Shares attributed under the company's remuneration policy	17.05.2012	582	0.00			
Paulo Joaquim Santos Plácido						
Sonae, SGPS, SA (6)						10.000
Sonaecom, SGPS, SA (9)						99.289
Shares attributed under the Medium Term Incentive Plan	09.03.2012	21.396	0.00			
Shares attributed under the company's remuneration policy	17.05.2012	28.072	0.00			
José Manuel Pinto Correia						
Sonae, SGPS, SA (6)						3.905
Sonaecom, SGPS, SA (9)						178.308
Shares attributed under the Medium Term Incentive Plan	09.03.2012	54.446	0.125			
Shares attributed under the company's remuneration policy	17.05.2012	2.394	0.114			
Pedro Rafael de Sousa Nunes Pedro						
Sonae, SGPS, SA (6)						6.625
Ana Cristina Dinis da Silva Fanha Vicente Soares						
Sonaecom, SGPS, SA (9)						20.022
Shares attributed under the Medium Term Incentive Plan	09.03.2012	13.305	0.00			

d) Shares held by spouse.

e) This balance includes 7,957 shares held by spouse.

f) This balance includes 6,141 shares held by spouse.

g) This balance includes 6,843 shares held by spouse.

h) This balance includes 460 shares held by spouse.

Article 447

In accordance with article 447 of the Portuguese Company Law and CMVM Regulation no. 5/2008 (continued):

		Additions		Reductions		Balance at 30 June 2012
	Date	Quantity	Average value €	Quantity	Average value €	Quantity
(1) Efanor Investimentos, SGPS, SA						
Sonae, SGPS, SA (6)						200.100.000
Acquisition	10.05.2012	77.700.000	0.40			
Pareuro, BV (2)						2.000.000
Sonaecom, SGPS, SA (9)						1.000
(2) Pareuro, BV						
Sonae, SGPS, SA (6)						849.533.095
Sale	28.03.2012			10.016.905	0.456	
Sale	10.05.2012			77.700.000	0.4	
(3) Migracom, SGPS, SA						
Imparfin, SGPS, SA (5)						150.000
Sonae, SGPS, SA (6)						2.908.204
Acquisition	27.04.2012	1.068.101	0.405			
Sonaecom, SGPS, SA (9)						387.342
(4) Linhacom,SGPS, SA						
Imparfin, SGPS, SA (5)						150.000
Sonae, SGPS, SA (6)						439.314
Acquisition	21.05.2012	48.884	0.398			
Sonaecom, SGPS, SA (9)						120.300
Acquisition	21.05.2012	49.069	1.120			
(5) Imparfin, SGPS, SA						
Sonae, SGPS, SA (6)						4.105.280
(6) Sonae, SGPS, SA						
Sonaecom, SGPS, SA (9)						3.430.000
Acquisition	31.05.2012	88.500	1.1322			
Acquisition	01.06.2012	128.156	1.1322			
Acquisition	04.06.2012	345.787	1.1364			
Acquisition	05.06.2012	221.562	1.1446			
Acquisition	06.06.2012	169.757	1.1423			
Acquisition	04.06.2012	89.743	1.1417			
Acquisition	08.06.2012	230.740	1.1596			
Acquisition	11.06.2012	273.039	1.1629			
Acquisition	12.06.2012	75.000	1.1697			
Acquisition	13.06.2012	55.368	1.1741			
Acquisition	11.06.2012	190.000	1.1867			
Acquisition	12.06.2012	175.546	1.1889			
Acquisition	13.06.2012	12.600	1.1817			
Acquisition	14.06.2012	33.199	1.1728			
Acquisition	15.06.2012	274.564	1.1875			
Acquisition	21.06.2012	214.086	1.2277			
Acquisition	22.06.2012	12.800	1.2602			
Acquisition	25.06.2012	18.545	1.2789			
Acquisition	26.06.2012	31.000	1.2835			
Acquisition	27.06.2012	61.000	1.2939			
Acquisition	25.06.2012	15.000	1.2904			
Acquisition	26.06.2012	19.500	1.285			
Acquisition	27.06.2012	15.008	1.2912			
Acquisition	28.06.2012	29.500	1.2938			
Sonae Investments BV (7)						2.894.000
Sontel BV (8)						32.745

		Additions		Reductions		Balance at 30 June 2012
	Date	Quantity	Average value €	Quantity	Average value €	Quantity
(7) Sonae Investments BV Sontel BV[8]						43.655
(8) Sontel BV Sonaecom, SGPS, SA[9]						194.063.119
(9) Sonaecom, SGPS, SA						6.897.791
Delivery of own shares under the Short and Medium Term Incentive Plans	09.03.2012			4.686.986	0.00	
Acquisition	Mar-12	722.271	1.223			
Delivery of own shares under the Short and Medium Term Incentive Plans	30.03.2012			59.956	0.00	
Acquisition	Abr-12	1.026.829	1.219			
Delivery of own shares under the Short and Medium Term Incentive Plans	17.05.2012			81.292	0.00	
Acquisition	Mai-12	931.725	1.176			

Article 448

In accordance with article 448 of the Portuguese Company Law:

	Number of shares as of 30 June 2012
Efanor Investimentos, SGPS, SA [1]	
Sonae, SGPS, SA	200.100.000
Pareuro, BV	2.000.000
Sonaecom, SGPS, SA	1.000
Pareuro, BV	
Sonae, SGPS, SA	849.533.095
Sonae, SGPS, SA	
Sonaecom, SGPS, SA	3.430.000
Sonae Investments BV	2.894.000
Sontel BV	32.745
Sonae Investments BV	
Sontel BV	43.655
Sontel BV	
Sonaecom, SGPS, SA	194.063.119
Atlas Services Belgium, S.A.	
Sonaecom, SGPS, SA	73.249.374

(1) The representative shares of about 99,99% of the share capital and the voting rights of Efanor Investimentos, SGPS, SA belong to Belmiro Mendes de Azevedo.

Qualified holdings

In compliance with sub-paragraph c), number 1, of the article of the CMVM Regulation no. 05/2008, we declare the qualifying holdings at 30 June 2012:

				% of voting rights
Shareholder	Number of shares	% of Share capital	With own shares	Without own shares
Sontel BV	194.063.119	52.99%	52.99%	54.00%
Sonae SGPS	3.430.000	0.94%	0.94%	0.95%
Migracom, SGPS, SA	387.342	0.11%	0.11%	0.11%
Ângelo Gabriel Ribeirinho dos Santos Paupério [1][2]	440.070	0.12%	0.12%	0.12%
Belmiro Mendes de Azevedo [1][3]	75.537	0.02%	0.02%	0.02%
Linhacom, SGPS, SA	120.300	0.03%	0.03%	0.03%
Álvaro Carmona e Costa Portela [1]	5.000	0.00%	0.00%	0.00%
Efanor Investimentos, SGPS, SA	1.000	0.00%	0.00%	0.00%
Maria Cláudia Teixeira de Azevedo [3]	170	0.00%	0.00%	0.00%
Total attributable [4]	198.522.538	54.20%	54.20%	55.24%
France Telecom, S.A.				
Atlas Services Belgium, S.A.	73.249.374	20.00%	20.00%	20.38%
Total attributable	73.249.374	20.00%	20.00%	20.38%
BCP				
Banco Comercial Português S.A.	100.998	0.03%	0.03%	0.03%
Fundo de Pensões Grupo BCP	12.400.000	3.39%	3.39%	3.45%
Total attributable	12.500.998	3.41%	3.41%	3.48%

(1) Member of the Board of Directors of Sonae, SGPS, SA
(2) Member of the Board of Directors of Sonae Investments, BV e Sontel BV
(3) Member of the Board of Directors of Efanor Investimentos, SGPS, SA
(4) The corresponding qualified holding is attributable to Efanor which representative shares of about 99,99% of the share capital and the voting rights of Efanor Investimentos, SGPS, SA belong to Belmiro Mendes de Azevedo.

11. Corporate Governance

The signatories individually declare that, to their knowledge, the Management Report, the Consolidated and Individual Financial Statements and other accounting documents required by law or regulation were prepared meeting the standards of the applicable International Financial Reporting Standards, giving a truthful (fairly) and appropriate image, in all material respects, of the assets and liabilities, financial position and the consolidated and individual results of the issuer and that the interim Management Report faithfully describes the most relevant events occurred during the first semester of 2011 and the respective impacts, when applicable, over the financial statements, containing an appropriate description of the major risks and uncertainties within the subsequent six month period.

The Board of Directors

Duarte Paulo Teixeira de Azevedo

Angelo Gabriel Ribeirinho Pauperio

Antonio Bernardo Aranha da Gama Lobo Xavier

Maria Claudia Teixeira de Azevedo

Miguel Nuno Santos Almeida

Antonio Sampaio e Mello

David Charles Denholm Hobley

Frank Emmanuel Dangeard

Gervais Gilles Pellissier

Jean-Francois Rene Pontal

Nuno Manuel Moniz Trigoso Santos Jordao

12. Financial Information

12.1. Sonaecom consolidated financial statements

Consolidated balance sheets

For the periods ended at 30 June 2012 and 2011 (restated), for the year ended at 31 December 2011 (restated) and for 1 January 2011 (restated)

(Amounts expressed in euro)	Notes	June 2012	June 2011 (restated)	December 2011 (restated)	1 January 2011 (restated)
Assets					
Non-current assets					
Tangible assets	1.d, 1.i and 6	572,695,283	578,876,233	583,413,555	592,369,741
Intangible assets	1.e, 1.f and 7	385,229,733	284,399,145	389,121,882	290,906,832
Goodwill	1.g and 9	529,639,593	526,088,349	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.t	313,460	280,201	264,973	174,363
Deferred tax assets	1.q and 11	95,931,140	103,470,392	103,853,881	109,587,224
Total non-current assets		1,584,021,532	1,493,326,643	1,597,970,337	1,519,392,035
Current assets					
Inventories	1.j	7,517,046	20,344,542	7,365,390	17,473,750
Trade debtors	1.k and 8	121,108,435	109,522,499	146,137,974	143,294,200
Other current debtors	1.k and 8	31,778,368	29,891,048	25,933,462	61,302,698
Other current assets	1.s and 1.y	72,039,210	74,178,911	70,723,575	69,839,130
Cash and cash equivalents	1.l, 8 and 12	109,019,402	126,142,027	189,350,054	68,577,903
Total current assets		341,462,461	360,079,027	439,510,455	360,487,681
Total assets		1,925,483,993	1,853,405,670	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	(9,475,213)	(13,594,518)	(13,594,518)	(15,030,834)
Reserves	1.u	651,595,881	617,609,991	618,945,566	593,009,788
Consolidated net income/(loss) for the period		38,134,433	31,803,380	62,287,398	43,669,651
		1,046,501,969	1,002,065,721	1,033,885,314	987,895,473
Non-controlling interests		384,693	462,084	515,654	593,790
Total Shareholders' funds		1,046,886,662	1,002,527,805	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	146,306,969	370,217,570	320,176,857	305,038,006
Other non-current financial liabilities	1.i, 8 and 16	19,908,024	18,539,938	17,990,531	19,253,869
Provisions for other liabilities and charges	1.p, 1.t and 17	47,097,962	34,199,105	48,549,956	33,150,028
Securitisation of receivables	8 and 18	9,997,284	29,872,311	19,951,846	39,740,412
Deferred tax liabilities	1.q and 11	1,925,792	5,522,948	5,186,711	5,559,170
Other non-current liabilities	1.s, 1.t and 1.y	24,377,524	2,540,959	30,041,779	2,739,617
Total non-current liabilities		249,613,555	460,892,831	441,897,680	405,481,102
Current liabilities					
Short-term loans and other loans	1.m, 1.n, 8 and 15	307,518,703	30,312,879	118,405,031	30,942,240
Trade creditors	8	142,182,711	143,666,705	172,622,586	178,732,746
Other current financial liabilities	1.i, 8, 16 and 19	3,098,641	2,147,888	2,645,498	2,171,140
Securitisation of receivables	8 and 18	19,875,154	19,729,485	19,802,596	19,634,161
Other creditors	8	16,617,965	22,039,680	23,832,672	56,752,155
Other current liabilities	1.s and 1.y	139,690,602	172,088,397	223,873,761	197,676,909
Total current liabilities		628,983,776	389,985,034	561,182,144	485,909,351
Total Shareholders' funds and liabilities		1,925,483,993	1,853,405,670	2,037,480,792	1,879,879,716

The notes are an integral part of the consolidated financial statements at 30 June 2012 and 2011 (restated – note 1).

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

Consolidated profit and loss account by nature

For the periods and quarters ended at 30 June 2012 and 2011 (restated) and for the year ended at 31 December 2011 (restated)

(Amounts expressed in euro)	Notes	June 2012 (not audited)	April to June 2012 (not audited)	June 2011 (restated and not audited)	April to June 2011 (restated and not audited)	December 2011 (restated)
Sales		29,690,672	14,348,199	36,469,600	14,615,499	77,172,088
Services rendered		377,221,114	190,112,074	388,935,753	194,957,889	786,462,327
Other operating revenues		4,998,450	2,667,549	4,336,838	1,954,134	8,809,285
		411,910,236	207,127,822	429,742,191	211,527,522	872,443,700
Cost of sales		(30,720,319)	(14,179,952)	(38,812,712)	(15,978,070)	(85,401,524)
External supplies and services	20	(193,149,947)	(96,980,122)	(207,872,680)	(101,711,723)	(419,762,108)
Staff expenses		(44,202,919)	(22,168,604)	(47,259,514)	(22,918,630)	(92,443,327)
Depreciation and amortisation	1.d, 1.e, 6 and 7	(73,973,104)	(37,192,555)	(72,873,756)	(37,200,883)	(153,301,640)
Provisions and impairment losses	1.p, 1.x and 17	(11,474,634)	(5,804,778)	(11,230,975)	(5,647,277)	(23,698,647)
Other operating costs		(7,854,923)	(3,797,065)	(7,206,569)	(3,331,330)	(15,663,550)
		(361,375,846)	(180,123,076)	(385,256,208)	(186,787,915)	(790,270,796)
Losses in group and associated companies		-	–	–	–	(54,422)
Other financial expenses	1.n, 1.o, 1.w, 1.x and 21	(9,381,915)	(4,916,237)	(7,910,633)	(4,170,509)	(17,413,177)
Other financial income	1.o, 1.w and 21	3,594,889	1,437,715	3,157,873	1,677,008	8,575,532
Current income / (loss)		44,747,364	23,526,224	39,733,223	22,246,106	73,280,837
Income taxation	1.q, 11 and 22	(6,608,699)	(2,353,123)	(7,939,341)	(4,134,891)	(10,955,640)
Consolidated net income/(loss) for the period		38,138,665	21,173,101	31,793,882	18,111,215	62,325,197
Attributed to:						
Shareholders of parent company	26	38,134,433	21,156,892	31,803,380	18,147,843	62,287,398
Non-controlling interests		4,232	16,209	(9,498)	(36,628)	37,799
Earnings per share						
Including discontinued operations:						
Basic		0.11	0.06	0.09	0.05	0.17
Diluted		0.11	0.06	0.09	0.05	0.17
Excluding discontinued operations:						
Basic		0.11	0.06	0.09	0.05	0.17
Diluted		0.11	0.06	0.09	0.05	0.17

The notes are an integral part of the consolidated financial statements at 30 June 2012 and 2011 (restated – note 1).

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

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Frank Emmanuel Dangeard

Gervais Gilles Pellissier

Jean-François René Pontal

Nuno Manuel Moniz Trigoso Jordão

Consolidated statement of comprehensive income

For the periods and quarters ended at 30 June 2012 and 2011 (restated) and for the year ended at 31 December 2011 (restated)

(Amounts expressed in euro)	Notes	June 2012 (not audited)	April to June 2012 (not audited)	June 2011 (restated and not audited)	April to June 2011 (restated and not audited)	December 2011 (restated)
Consolidated net income / (loss) for the period		38,138,665	21,173,101	31,793,882	18,111,215	62,325,197
Components of other consolidated comprehensive income, net of tax						
Changes in currency translation reserve and other	1.w	(749,189)	(467,796)	290,110	195,847	(297,463)
Consolidated comprehensive income for the period		37,389,476	20,705,305	32,083,992	18,307,062	62,027,734
Attributed to:						
Shareholders of parent company		37,385,244	20,689,096	32,093,490	18,343,690	61,989,935
Non-controlling interests		4,232	16,209	(9,498)	(36,628)	37,799

The notes are an integral part of the consolidated financial statements at 30 June 2012 and 2011 (restated – note 1).

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
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Nuno Manuel Moniz Trigoso Jordão

Consolidated movements in shareholders' funds

For the periods ended at 30 June 2012 and 2011 (restated)

			Reserves								
(Amounts expressed in euro)	Share capital	Own shares (note 14)	Share premium	Legal reserves	Reserves of own shares	Reserves for Medium Term Incentive Plans (note 27)	Other reserves	Total reserves	Non--controlling interests	Net income / (loss)	Total
2012											
Balance at 31 December 2011 (restated)	366,246,868	(13,594,518)	775,290,377	7,991,192	13,594,518	7,119,989	(185,050,510)	618,945,566	-	62,287,398	1,033,885,314
Appropriation of the consolidated net result of 2011 (restated)											
Transfers to other reserves (restated)	–	–	–	-	–	–	62,287,398	62,287,398	–	(62,287,398)	–
Dividend distribution	–	–	–	–	–	–	(25,172,240)	(25,172,240)	–	–	(25,172,240)
Consolidated comprehensive income for the period ended at 30 June 2012	–	–	–	–	–	–	(749,189)	(749,189)	–	38,134,433	37,385,244
Acquisition of own shares	–	(3,231,143)	–	–	3,231,143		(3,231,143)	-	–	–	(3,231,143)
Delivery of own shares under the Short and Medium Term Incentive Plans (notes 1.y and 27)	–	7,350,448	–	–	(7,350,448)	(4,006,035)	5,751,065	(5,605,418)	–	–	1,745,030
Effect of the recognition of the Medium Term Incentive Plans (notes 1.y and 27)	–	–	–	–	–	1,889,764	–	1,889,764	–	–	1,889,764
Balance at 30 June 2012	366,246,868	(9,475,213)	775,290,377	7,991,192	9,475,213	5,003,718	(146,164,619)	651,595,881	-	38,134,433	1,046,501,969
Non-controlling interests											
Balance at 31 December 2011 (restated)	-	-	-	-	-	-	-	-	515,654	-	515,654
Non-controlling interests in comprehensive income	-	-	-	-	-	-	-	-	4,232	-	4,232
Dividend distribution	-	-	-	-	-	-	-	-	(124,500)	-	(124,500)
Other changes	-	-	-	-	-	-	-	-	(10,693)	-	(10,693)
Balance at 30 June 2012	-	-	-	-	-	-	-	-	384,693	-	384,693
Total	366,246,868	(9,475,213)	775,290,377	7,991,192	9,475,213	5,003,718	(146,164,619)	651,595,881	384,693	38,134,433	1,046,886,662

Consolidated movements in shareholders' funds (continued)

For the periods ended at 30 June 2012 and 2011 (restated)

			Reserves								
(Amounts expressed in euro)	Share capital	Own shares (note 14)	Share premium	Legal reserves	Reserves of own shares	Reserves for Medium Term Incentive Plans (note 27)	Other reserves	Total reserves	Non--controlling interests	Net income / (loss)	Total
2011											
Balance at 31 December 2010 (restated)	366,246,868	(15,030,834)	775,290,377	1,221,003	15,030,834	4,812,753	(203,345,179)	593,009,788	-	43,669,651	987,895,473
Appropriation of the consolidated net result of 2010 (restated)											
Transfers to legal reserves and other reserves (restated)	–	–	–	6,770,189	–	–	36,899,462	43,669,651	–	(43,669,651)	–
Dividend distribution	–	–	–	–	–	–	(17,859,403)	(17,859,403)	–	–	(17,859,403)
Consolidated comprehensive income for the period ended at 30 June 2011	–	–	–	–	–	–	290,110	290,110	–	31,803,380	32,093,490
Acquisition of own shares	–	(2,223,287)	–	–	2,223,287	–	(2,223,287)	–	–	–	(2,223,287)
Delivery of own shares under the Short and Medium Term Incentive Plans (notes 1.y and 27)	–	3,659,603	–	–	(3,659,603)	(1,604,799)	1,775,360	(3,489,042)	–	–	170,561
Effect of the recognition of the Medium Term Incentive Plans (notes 1.y and 27)	–	–	–	–	–	1,988,888	–	1,988,888	–	–	1,988,888
Balance at 30 June 2011 (restated)	366,246,868	(13,594,518)	775,290,377	7,991,192	13,594,518	5,196,842	(184,462,938)	617,609,991	–	31,803,380	1,002,065,721
Non-controlling interests											
Balance at 31 December 2010 (restated)	–	–	–	–	–	–	–	–	593,790	–	593,790
Non-controlling interests in comprehensive income	–	–	–	–	–	–	–	–	(9,498)	–	(9,498)
Dividend distribution	–	–	–	–	–	–	–	–	(124,500)	–	(124,500)
Other changes	–	–	–	–	–	–	–	–	2,292	–	2,292
Balance at 30 June 2011 (restated)	–	–	–	–	–	–	–	–	462,084	–	462,084
Total	366,246,868	(13,594,518)	775,290,377	7,991,192	13,594,518	5,196,842	(184,462,938)	617,609,991	462,084	31,803,380	1,002,527,805

The notes are an integral part of the consolidated financial statements at 30 June 2012 and 2011 (restated – note 1).

The Chief Accountant

Patrícia Maria Cruz Ribeiro da Silva

The Board of Directors

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Consolidated cash flow statements

For the periods ended at 30 June 2012 and 2011

(Amounts expressed in euro)		June 2012		June 2011
Operating activities				
Receipts from trade debtors	408,285,090		443,001,391	
Payments to trade creditors	(256,479,535)		(288,916,688)	
Payments to employees	(55,471,733)		(57,678,514)	
Cash flows from operating activities	96,333,822		96,406,189	
Payments / receipts relating to income taxes, net	(2,638,434)		(1,683,083)	
Other payments / receipts relating to operating activities, net	5,768,990		(716,393)	
Cash flows from operating activities (1)	99,464,378	99,464,378	94,006,713	94,006,713
Investing activities				
Receipts from:				
Tangible assets	5,177,931		15,955,648	
Intangible assets	–		13,694	
Interest and similar income	3,094,962		–	
Dividens	11,443	8,284,336	2,963,806	18,933,148
Payments for:				
Financial investments	(5,970,672)		(8,860,291)	
Tangible assets	(47,090,340)		(60,771,059)	
Intangible assets	(101,085,589)	(154,146,601)	(10,985,798)	(80,617,148)
Cash flows from investing activities (2)		(145,862,265)		(61,684,000)
Financing activities				
Receipts from:				
Loans obtained	11,022,100	11,022,100	64,850,000	64,850,000
Payments for:				
Leasing	(1,342,211)		(1,519,857)	
Interest and similar expenses	(9,163,450)		(7,298,189)	
Dividends	(25,296,740)		(17,983,903)	
Acquisition of own shares	(3,231,143)		(2,223,287)	
Loans obtained	(10,064,430)	(49,097,974)	(10,063,774)	(39,089,010)
Cash flows from financing activities (3)		(38,075,874)		25,760,990
Net cash flows (4)=(1)+(2)+(3)		(84,473,761)		58,083,703
Effect of the foreign exchanges		(66,619)		(93,706)
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		104,491,378		124,014,196

The notes are an integral part of the consolidated financial statements at 30 June 2012 and 2011 (restated – note 1).

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Notes to the consolidated cash flow statements

For the periods ended at 30 June 2012 and 2011

1. Acquisition or sale of subsidiaries or other businesses

	June 2012	June 2011
a) Amounts of acquisitions paid		
Connectiv Solutions, Inc	5,970,672	–
Sontária - Empreendimentos Imobiliários, S.A.	–	8,860,291
	5,970,672	8,860,291

2. Details of cash and cash equivalents

	June 2012	June 2011
Cash in hand	205,725	272,172
Cash at bank	6,476,272	6,959,855
Treasury applications	102,337,405	118,910,000
Overdrafts	(4,528,024)	(2,127,831)
Cash and cash equivalents	104,491,378	124,014,196
Overdrafts	4,528,024	2,127,831
Cash assets	109,019,402	126,142,027

3. Description of non-monetary financing activities

	June 2012	June 2011
a) Bank credit obtained and not used	106,369,030	43,787,221
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	96,816,712	(139,787,789)	(13,217,292)	(56,188,369)
Multimedia	(2,043,946)	(376,455)	(85,652)	(2,506,053)
Information Systems	96,824	(6,624,426)	5,791,095	(736,507)
Holding	4,594,788	926,405	(30,564,025)	(25,042,832)
	99,464,378	(145,862,265)	(38,075,874)	(84,473,761)

The notes are an integral part of the consolidated financial statements at 30 June 2012 and 2011 (restated – note 1).

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12.2. 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) and considering the IAS 34 – 'Interim financial reporting'. 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 and adopted in the period ended in 30 June 2012.

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

Standard / Interpretation	Effective date (annual periods beginning on or after)
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 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

These standards, although approved (endorsed) by the European Union, were not adopted by the Group in the period ended at 30 June 2012, as the application of these standards is not yet mandatory.

No significant impacts are expected to arise in the financial statements resulting from the adoption of the same.

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

Standard / Interpretation	Effective date (annual periods beginning on or after)
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

Standard / Interpretation	Effective date (annual periods beginning on or after)
IFRS 13 (Fair Value Measurement)	1-Jan-13
It will improve consistency and reduce complexity by providing, for the first time, a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs.	
Improvements to IFRS (2009-2011)	1-Jan-13
The IASB finalise its annual improvements publication corresponding to the 2009-2011 cycle including six amendments to five IFRSs. The annual improvements process provides a mechanism for non urgent but necessary amendments to International Financial Reporting Standards (IFRSs) to be grouped together and issued in one package.	
Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)	1-Jan-13
The amendments clarify the transition guidance in IFRS 10 Consolidated Financial Statements and also provide additional transition relief in IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Furthermore, for disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before IFRS 12 is first applied.	
IAS 12 - Amendments (Deferred tax: Recovery of Underlying Assets)	1-Jan-12
The amendment introduces, in the case of investment properties measured using the fair value model, the presumption that recovery of the carrying amount will normally be through sale, in order to determine their tax impact. As a result of the amendments, SIC 21 - 'Income Taxes—Recovery of Revalued Non-Depreciable Assets' would no longer apply to investment properties carried at fair value. The amendments also incorporate into IAS 12 the remaining guidance previously contained in SIC-21, which is accordingly withdrawn.	
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 30 June 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) amortisation 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, 30 June 2011 and 31 December 2011, as well as in the consolidated Income statements (by nature) for the period ended 30 June 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 30 June 2011

(Amounts expressed in euro)	Before the change	Effect of the change	Balance sheet restated
Assets			
Tangible assets	578,876,233	-	578,876,233
Intangible assets	266,504,968	17,894,177	284,399,145
Goodwill	526,088,349	-	526,088,349
Other assets	464,041,943	-	464,041,943
Total assets	1,835,511,493	17,894,177	1,853,405,670
Liabilities			
Non-current liabilities	456,150,874	4,741,957	460,892,831
Current liabilities	389,985,034	-	389,985,034
Total liabilities	846,135,908	4,741,957	850,877,865
Shareholders' funds excl. non-control. interests	988,913,501	13,152,220	1,002,065,721
Non-controlling interests	462,084	-	462,084
Total Shareholders' funds	989,375,585	13,152,220	1,002,527,805
Total Shareholders' funds and liabilities	1,835,511,493	17,894,177	1,853,405,670

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 30 June 2012

(Amounts expressed in euro)	Before the change	Effect of the change	Balance sheet restated
Assets			
Tangible assets	572,695,283	-	572,695,283
Intangible assets	369,193,588	16,036,145	385,229,733
Goodwill	529,639,593	-	529,639,593
Other assets	437,919,384	-	437,919,384
Total assets	1,909,447,848	16,036,145	1,925,483,993
Liabilities			
Non-current liabilities	247,693,889	1,919,666	249,613,555
Current liabilities	628,983,776	-	628,983,776
Total liabilities	876,677,665	1,919,666	878,597,331
Shareholders' funds excl. non-control. interests	1,032,385,490	14,116,479	1,046,501,969
Non-controlling interests	384,693	-	384,693
Total Shareholders' funds	1,032,770,183	14,116,479	1,046,886,662
Total Shareholders' funds and liabilities	1,909,447,848	16,036,145	1,925,483,993

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 30 June 2011

(Amounts expressed in euro)	Before the change	Effect of the change	Profit and loss stat. restated
Total revenue	429,742,191	-	429,742,191
Costs and losses			
External supplies and services	(218,740,252)	10,867,572	(207,872,680)
Depreciation and amortisation	(61,890,471)	(10,983,285)	(72,873,756)
Other operating costs	(104,509,771)	-	(104,509,771)
EBIT	44,601,696	(115,713)	44,485,983
Financial results	(4,752,760)	-	(4,752,760)
Income taxation	(7,970,005)	30,664	(7,939,341)
Consolidated net income / (loss)	31,878,931	(85,049)	31,793,882
Attributed to non-controlling interests	(9,498)	-	(9,498)
Attributed to shareholders of parent company	31,888,429	(85,049)	31,803,380
Earnings per share			
Including discontinued operations:			
Basic	0.09	0.00	0.09
Diluted	0.09	0.00	0.09
Excluding discontinued operations:			
Basic	0.09	0.00	0.09
Diluted	0.09	0.00	0.09

Profit and loss statement at 30 June 2012

(Amounts expressed in euro)	Before the change	Effect of the change	Profit and loss stat. restated
Total revenue	411,910,236	-	411,910,236
Costs and losses			
External supplies and services	(203,584,448)	10,434,501	(193,149,947)
Depreciation and amortisation	(61,882,126)	(12,090,978)	(73,973,104)
Other operating costs	(94,252,795)	-	(94,252,795)
EBIT	52,190,867	(1,656,477)	50,534,390
Financial results	(5,787,026)	-	(5,787,026)
Income taxation	(9,377,578)	2,768,879	(6,608,699)
Consolidated net income / (loss)	37,026,263	1,112,402	38,138,665
Attributed to non-controlling interests	4,232	-	4,232
Attributed to shareholders of parent company	37,022,031	1,112,402	38,134,433
Earnings per share			
Including discontinued operations:			
Basic	0.10	0.00	0.11
Diluted	0.10	0.00	0.11
Excluding discontinued operations:			
Basic	0.10	0.00	0.11
Diluted	0.10	0.00	0.11

The accounting policies and measurement criteria adopted by the Group on 30 June 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 30 June 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 and the LTE license until 2041. 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 30 June 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 30 June 2012, Sonaecom, SGPS, S.A., have reserves which by their nature are considered distributable, amounted around Euro 147 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	
	30 June	Average	30 June	Average
Pounds Sterling	1.2395	1.2162	1.1080	1.1523
Brazilian Real	0.3878	0.4150	0.4425	0.4372
American Dollar	0.7943	0.7715	0.6919	0.7134
Polish Zloti	0.2354	0.2357	0.2506	0.2530
Australian Dollar	0.8104	0.7963	0.7416	0.7365
Mexican Peso	0.0593	0.0582	0.0589	0.0600
Egyptian Pound	0.1302	0.1276	0.1157	0.1168
Malaysian Ringgit	0.2503	0.2499	0.2292	0.2352
Chilean Peso	0.0016	0.0016	0.0015	0.0015
Singapore Dollar	0.6260	0.6102	0.5630	0.5667
Swiss Franc	0.8313	0.8300	0.8284	0.7883
Swedish Krona	0.1140	0.1126	-	-
South African Rand	0.0965	0.0972	-	-
Angolan Kwanza	0.0083	0.0081	-	-
Moroccan Dirham	0.0904	0.0900	-	-

x) Assets impairment

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

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

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

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

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

y) Medium Term Incentive Plans

The accounting treatment of Medium Term Incentive Plans is based on IFRS 2 – 'Share-based Payments'.

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

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

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

(i) The total gross fixed amount payable to third parties is recorded in the balance sheet as either 'Other non-current liabilities' or 'Other current liabilities';

(ii) The part of this responsibility that has not yet been recognised in the profit and loss statement (the 'unelapsed' proportion of the cost of each plan) is deferred and is recorded, in the balance sheet as either 'Other non-current assets' or 'Other current assets';

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

(iv) In the profit and loss statement, the 'elapsed' proportion continues to be charged as an expense under the caption 'Staff expenses'.

For plans settled in cash, the estimated liability is recorded under the balance sheet captions 'Other non-current liabilities' and 'Other current liabilities' by a corresponding entry under the profit and loss statement caption 'Staff expenses', for the cost relating to the vesting period that has 'elapsed' up to the respective accounting date. The liability is quantified based on the fair value of the shares as of each balance sheet date.

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

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

At 30 June 2012, two plans of Sonaecom share plans were covered through the detention of own shares. For 2011 plan, the Company will enter in hedging contract with an external entity in order to fix the shares' acquisition price. The impacts associated to the Medium Term Incentive Plans are registered, in the balance sheet, under the caption 'Medium Term Incentive Plans Reserve' for 2009 and 2010 plan and in "Other non-current Liabilities" for 2011 plan. The cost is recognized under the profit and loss statement caption 'Staff expenses'.

Regarding the plans liquidated through the delivery of shares of the parent company, the company entered, for two equity-settled plans, into hedging contracts with an external entity under which the acquisition price of those shares was fixed. Therefore, the responsibility associated to the uncovered plan is recorded at the fair price of the stocks and the covered plans are recorded based on that fixed price, proportionally to the period of time elapsed since the award date until the date of record, under the captions 'Other non-current liabilities' and 'Other current liabilities'. The cost is recognised on the income statement under the caption 'Staff expenses'.

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

aa) Judgements and estimates
The most significant accounting estimates reflected in the consolidated financial statements of the periods ended at 30 June 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 30 June 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.	Sonae Telecom Sonaecom	100% -	100% -	– 100%	– 100%
Be Towering – Gestão de Torres de Telecomunicações, S.A. ('Be Towering')	Maia	Implementation, installation and exploitation of towers and other sites for the instalment of telecommunications equipment.	Sonae Telecom 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%
Connectiv Solutions, Inc. ('Connectiv') (a)	Delaware	Rendering of consultancy services in the area of information systems.	We Do US	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%
Infosystems – Sociedade de Sistemas de Informação, S.A. ('Infosystems') (b)	Luanda	Rendering of services in the area of information and technology systems, in the telecommunication sector and others; development, commercialisation and distribution of software and related equipment's; design and development of management platforms and commercialisation of online products and services.	Sonae com SI	50%	50%	–	–
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') (c)	Maia	Digital publishing, electronic publishing and production of Internet contents.	Público	Dissolvida		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	64.14% 35.86%	64.14% 35.86%	64.14% 35.86%	64.14% 35.86%
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%
Per-Mar – Sociedade de Construções, S.A. ('Per-Mar')	Maia	Purchase, sale, renting and operation of property and commercial establishments.	Sonae Telecom 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%
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 adquired in April 2012.

(b) Company adquired in June 2012.

(c) Company dissolved in October 2011.

Percentage of share capital held

				2012		2011	
Company (Commercial brand)	Head office	Main activity	Shareholder	Direct	Effective*	Direct	Effective*
Saphety Level – Trusted Services, S.A. ('Saphety')	Maia	Rendering services, training, consultancy services in the area of communication, process and electronic certification of data; trade, development and representation of software.	Sonae com SI	86.995%	86.995%	86.995%	86.995%
Sonaecom - Serviços Partilhados, S.A. ('Sonaecom SP') (d)	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 Espanã, 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.	Sonae Telecom Sonaecom	100% -	100% -	– 100%	– 100%
SSI Angola, S.A. ('SSI Angola') (e)	Luanda	Rendering of services in the area of information and technology systems, in the telecommunication sector and others; development, commercialisation and distribution of software and related equipment's; design and development of management platforms and commercialisation of online products and services.	Infosystems	100%	50%	–	–
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')	Poznan	Rendering of consultancy services in the area of information systems.	Cape Technologies	100%	100%	100%	100%
We Do Technologies Americas, Inc ('We Do US')	Delaware	Rendering of consultancy services in the area of information systems.	Cape Technologies	100%	100%	100%	100%
We Do Technologies Australia PTY Limited ('We Do Asia')	Sydney	Rendering of consultancy services in the area of information systems.	Cape Technologies	100%	100%	100%	100%
We Do Technologies BV ('We Do BV')	Amsterdam	Management of shareholdings.	We Do	100%	100%	100%	100%
We Do Technologies BV – Malaysian Branch ('We Do Malásia')	Kuala Lumpur	Rendering of consultancy services in the area of information systems.	We Do BV	100%	100%	100%	100%
We Do Technologies Chile SpA ('We Do Chile')	Chile	Rendering of consultancy services in the area of information systems.	We Do BV	100%	100%	100%	100%
We Do Technologies Egypt LLC ('We Do Egypt')	Cairo	Rendering of consultancy services in the area of information systems.	We Do BV Sonaecom BV Sonaetelecom BV	90% 5% 5%	90% 5% 5%	90% 5% 5%	90% 5% 5%
We Do Technologies (UK) Limited ('We Do UK')	Berkshire	Management of shareholdings.	We Do	100%	100%	100%	100%
We Do Technologies Mexico, S de R.L. ('We Do Mexico')	Mexico City	Rendering of consultancy services in the area of information systems.	Sonaecom BV We Do BV	5% 95%	5% 95%	5% 95%	5% 95%
We Do Technologies Panamá S.A. ('We Do Panamá')	Panamá City	Rendering of consultancy services in the area of information systems.	We Do BV	100%	100%	100%	100%
We Do Technologies Singapore PTE. LTD. ('We Do Singapura')	Singapore	Rendering of consultancy services in the area of information systems.	We Do BV	100%	100%	100%	100%

* Sonaecom effective participation

(d) Company established in January 2012.

(e) Company acquired in June 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 30 June 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%	-	-
Infosystems – Sociedade de Sistemas de Informação, S.A. ('Infosystems')	Luanda	Rendering of services in the area of information and technology systems.	Sonae com SI	50%	50%	-	-
SSI Angola, S.A. ('SSI Angola')	Luanda	Rendering of services in the area of information and technology systems.	Infosystems	100%	50%	-	-

*Sonaecom effective participation

(a) Company included in the consolidated financial statements in accordance with the equity method, in June 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 30 June 2012.

At 30 June 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	2,042,411	2,355,981
Current assets	1,138,436	872,159
Non-current liabilities	(1,924,017)	(2,187,838)
Current liabilities	(572,335)	(486,410)
Net result	(127,052)	(149,285)
Total revenues	(1,004,676)	(904,818)
Total costs	877,624	755,533

4. Investments in associated companies

At 30 June 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 30 June 2012 (note 3).

At 30 June 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 30 June 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.	629,315	630,687	438,086	29,063

5. Changes in the Group

During the periods ended at 30 June 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%

b) Acquisitions

Purchaser	Subsidiary	Date	% acquired	Current % shareholding
2012				
Wedo US	Connectiv	Apr-12*	100%	100%
Sonae com SI	Infosystems	Jun-12	50%	50%
Infosystems	SSI Angola	Jun-12	100%	100%

* The contract's signature date was April 2012, with effects from 1 May 2012.

At 30 April 2012, the group acquired the entire share capital of Connectiv Solutions. Following that, the company started from 1 May 2012 to consolidate the financial statements using the full consolidation method.

Connectiv main activity is the rendering of consulting services in the area of information systems.

Ammounts expressed in Euro	Values before acquisition	Adjustments	Fair value
Acquired assets			
Tangible assets	614,561	0	614,561
Other current debtors	1,195,088	0	1,195,088
Other assets	144,333	0	144,333
Cash and cash equivalents	330,932	0	330,932
	2,284,914	0	2,284,914
Acquired liabilities			
Other creditors	195,073	0	195,073
Other liabilities	697,258	0	697,258
	892,331	0	892,331
Net assets and liabilities	1,392,583	0	1,392,583
Acquisition price			9,886,640
Goodwill			8,494,057

Following the acquisition of Connectiv Solutions, the company has made a preliminary assessment of the fair value of acquired assets and assumed liabilities, so the allocation of the purchase price is still subject to change until completion of the period of one year from the date of the acquisition (in accordance with IFRS 3, business combinations).

Nevertheless, the company does not expect significant changes in its financial position as a result from any changes to allocation made.

The acquisition price includes a deferred amount (USD 2 million) to be paid in 2013 and 2014 and a contingent amount to be paid annually, during 4 years, depending on revenues of the company.

As usual on mergers and acquisitions, also in the acquisition of Connectiv, there was a part of the acquisition price which was not possible to be allocated to the fair value of some identified assets and liabilities,that was considered as Goodwill. This Goodwill is related to a number of different elements, which cannot be individually quantified and isolated in a viable way and include, for example, synergies, qualified workforce, technical skills and market power. The total amount of this Goodwill will be considered as fiscal cost in Connectiv accounts, for a period of 15 years.

The contribution of Connectiv to the consolidated net income attributed to Sonaecom's Shareholders, in the period ended at 30 June 2012, was positive of Euro 288 thousand.

The detail of the referred contribution is as follows:

Ammounts expressed in Euro	Contribution at 30 June 2012
Total Revenues	1,030,675
Costs and losses	
External supplies and services	(194,640)
Staff expenses	(547,697)
Earnings before interest and taxes	288,338
Financial Results	(505)
Net income attributed to shareholders of parent company	287,833

If Connectiv had been consolidated since 1 January 2012, the values of 'Pro-forma' consolidated operating revenues and net income, before non-controlling interests, for the period ended at 30 June 2012, would be as follows:

Ammounts expressed in Euro	30 June 2012 ('Pro-forma')
Consolidated operating revenues	414,850,862
Net income before non-controlling interests	38,791,760

The contribution of Connectiv to the consolidated balance sheet of Sonaecom at 30 June 2012, which does not include the goodwill generated as a result of the acquisition of Connectiv, is as follows:

Ammounts expressed in Euro	Contribution at 30 June 2012
Assets	
Tangible Assets	641,759
Trade debtors	232,208
Cash and cash equivalents	1,556,514
Other assets	154,772
Total assets	2,585,253
Liabilities	
Other non-current Liabilities	153,118
Other current liabilities	743,235
Total liabilities	896,353
Net assets	1,688,900

6. Tangible assets

The movement in tangible assets and in the corresponding accumulated depreciation and impairment losses in the periods ended at 30 June 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
New companies (note 5. b))	–	–	–	1,250,155	–	–	–	1,250,155
Additions	156,011	2,372,974	5,338	7,487,276	220	2,715	39,504,915	49,529,449
Disposals	(89,391)	(43,277,138)	–	(420,077)	–	(18,892)	–	(43,805,498)
Transfers and write-offs	3,212,163	38,136,613	–	1,819,950	419	37,691	(51,472,288)	(8,265,452)
Balance at 30 June 2012	305,695,137	1,036,272,022	190,334	211,598,509	1,181,893	5,699,035	24,301,974	1,584,938,904
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
New companies (note 5. b))	–	–	–	635,594	–	–	–	635,594
Depreciation for the period	4,080,168	28,757,184	17,080	8,937,827	6,184	234,485	–	42,032,928
Disposals	(63,305)	(32,747,992)	–	(276,290)	–	(5,117)	–	(33,092,704)
Transfers and write-offs	(20,826)	(130,489)	–	2,423	–	–	–	(148,892)
Balance at 30 June 2012	165,261,329	651,710,998	153,196	188,972,563	1,143,649	5,001,886	–	1,012,243,621
Net value	140,433,808	384,561,024	37,138	22,625,946	38,244	697,149	24,301,974	572,695,283

								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	33,763	3,750,043	–	7,417,802	7,675	–	25,852,554	37,061,837
Disposals	(215,400)	(42,322,068)	(515)	(3,180,707)	(4,192)	–	–	(45,722,882)
Transfers and write-offs	5,180,050	32,272,465	–	1,537,851	2,631	22,052	(43,359,743)	(4,344,694)
Balance at 30 June 2011	298,164,400	1,028,980,161	184,995	197,222,149	1,170,351	5,565,373	23,475,643	1,554,763,072
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	6,131,721	26,915,895	16,437	8,874,825	8,014	378,505	–	42,325,397
Disposals	(97,734)	(35,368,983)	(268)	(3,156,286)	(1,824)	–	–	(38,625,095)
Transfers and write-offs	(982,692)	(2,164,921)	–	(60,919)	(4,001)	–	–	(3,212,533)
Balance at 30 June 2011	158,640,457	636,949,960	119,685	174,681,599	1,126,256	4,368,882	–	975,886,839
Net value	139,523,943	392,030,201	65,310	22,540,550	44,095	1,196,491	23,475,643	578,876,233

The additions that occurred during the periods ended at 30 June 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 30 June 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 35,384,420 and Euro 30,541,539 as of 30 June 2012 and 2011, and their net book value as of those dates amounted to Euro 20,043,246 and Euro 17,050,119, respectively.

At 30 June 2012, the heading 'Tangible assets' included an amount of Euro 25 million (2011: Euro 21.4 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 30 June 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 30 June 2012 and 2011 were made up as follows:

	2012	2011
Development of mobile/fixed network	19,680,373	21,241,739
Information systems	890,663	353,769
Other projects in progress	3,730,938	1,880,135
	24,301,974	23,475,643

At 30 June 2012 and 2011, the amounts of commitments to third parties relating to investments to be made were as follows:

	2012	2011
Network	39,341,168	21,687,605
Information systems	1,874,101	1,541,826
	41,215,269	23,229,431

7. Intangible assets

In the periods ended at 30 June 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	296,368,784	117,812,807	775,872,042
Additions	13,305,146	465,337	7,834,274	21,604,757
Transfers and write-offs	66,083,333	15,358,118	(87,323,543)	(5,882,092)
Balance at 30 June 2012	441,078,930	312,192,239	38,323,538	791,594,707
Accumulated amortisation and impairment losses				
Balance at 31 December 2011 (restated)	153,193,021	233,557,139	-	386,750,160
Amortisation for the period	21,322,125	10,618,051	-	31,940,176
Transfers and write-offs	(12,147,687)	(177,675)	-	(12,325,362)
Balance at 30 June 2012	162,367,459	243,997,515	-	406,364,974
Net value	278,711,471	68,194,724	38,323,538	385,229,733

				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(restated)	13,388,261	644,859	8,558,855	22,591,975
Disposals	–	(14,858)	–	(14,858)
Transfers and write-offs	(13,351)	18,431,475	(17,037,671)	1,380,453
Balance at 30 June 2011 (restated)	372,866,378	283,442,804	7,607,038	663,916,220
Accumulated amortisation and impairment losses				
Balance at 31 December 2010(restated)	137,409,894	211,641,924	–	349,051,818
Amortisation for the period (restated)	19,755,684	10,792,675	–	30,548,359
Disposals	–	(2,077)	–	(2,077)
Transfers and write-offs	(479)	(80,546)	–	(81,025)
Balance at 30 June 2011 (restated)	157,165,099	222,351,976	–	379,517,075
Net value	215,701,279	61,090,828	7,607,038	284,399,145

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

In accordance with the Agreement established on 5 June 2007 with the Ministry of Public Works, Transportation and Communications (MOPTC), part of these commitments, up to Euro 159 million, would be realised through own projects eligible as contributions to the 'Information Society' which will be incurred under the normal course of Optimus – Comunicações, S.A.'s business (investments in network and technology, if not directly related with the accomplishment of other obligations inherent to the attribution of the UMTS License, and activities of research, development and promotion of services, contents and applications). These own projects must be recognised by the MOPTC and by entities created specifically for this purpose. At 30 June 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 30 June 2012, all the responsibilities with such commitments are fully recorded in the attached consolidated financial statements

Intangible assets in the period ended at 30 June 2012, include an amount of approximately Euro 110 million, corresponding to the current value of future payments related with the acquisition of rights of use for frequency (spectrum) bands of 800 MHz, 1800 MHz and 2600 MHz, which will be used to develop 4th generation services (LTE - Long Term Evolution). The payable amount totals Euro 113 million. In January 2012, an amount of Euro 83 million was already paid. The remaining amount can be paid in five annual installments of Euro 6 million, having the company, at each annual payment, the option to anticipate the payment of the amount in debt.
During the period ended 30 June 2012, considering the availability of LTE (Long Term Evolution) technology (although subject to restrictions in some areas of the country) and the subsequent launching the commercial operation, a fraction of the present value of future payments related to the acquisition of rights of use for 4th generation frequencies services was transferred from work in progress and the amortization was started, for an estimated period until 2041. Besides the amount of LTE spectrum, the caption 'Brands and patents and other rights' includes an amount of about Euro 16 million (2011: Euro 17.9 million) that corresponds to the costs incurred for customers' loyalty contracts (note 1.e).

At 30 June 2012 and 2011, the Group kept recorded under the heading 'Intangible assets – brands and contents' the amounts of Euro 175,527,543 and Euro 186,457,179, respectively, that correspond to the investments net of depreciations made in the development of the UMTS network, including: (i) Euro 55,505,330 (2011: Euro 58,505,618) related to the license; (ii) Euro 18,546,366 (2011: Euro 19,548,872) related to the agreement signed in 2002 between Oni Way and the other three mobile telecommunication operators with activity in Portugal; (iii) Euro 5,696,149 (2011: Euro 6,004,049) 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 91,037,292 (2011: Euro 97,399,887) related with the programme 'Initiatives E', these last two associated to the commitments assumed by the Group in relation to the 'Information Society'.

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

At 30 June 2012 and 2011, the total net amount of financial expenses capitalization amounted to Euro 9,720,211 and Euro 10,906,599, respectively. The amounts capitalised in the periods ended at 30 June 2012 and 2011 were Euro 1,200,884 and Euro 368,368, respectively. An interest capitalisation rate of 2.73% was used in 2012 (1.48% in 2011), which corresponds to the average interest rate supported by the Group.

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.

8. Breakdown of financial instruments

At 30 June 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	121,108,435	–	121,108,435	–	121,108,435
Other current debtors	27,198,845	–	27,198,845	4,579,523	31,778,368
Cash and cash equivalents (note 12)	109,019,402	–	109,019,402	–	109,019,402
	257,326,682	–	257,326,682	4,579,523	261,906,205

					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	109,522,499	–	109,522,499	–	109,522,499
Other current debtors	21,134,822	–	21,134,822	8,756,226	29,891,048
Cash and cash equivalents (note 12)	126,142,027	–	126,142,027	–	126,142,027
	256,799,348	–	256,799,348	8,756,226	265,555,574

	Liabilities recorded at amortised cost	Other financial liabilities	Subtotal	Others not covered by IFRS 7	Total
					2012
Non-current liabilities					
Medium and long-term loans net of short-term portion (note 15)	146,306,969	–	146,306,969	–	146,306,969
Other non-current financial liabilities (note 16)	–	19,908,024	19,908,024	–	19,908,024
Securitisation of receivables (note 18)	9,997,284	–	9,997,284	–	9,997,284
	156,304,253	19,908,024	176,212,277	–	176,212,277
Current liabilities					
Short-term loans and other loans (note 15)	307,518,703	–	307,518,703	–	307,518,703
Trade creditors	–	142,182,711	142,182,711	–	142,182,711
Other current financial liabilities (note 19)	–	3,098,641	3,098,641	–	3,098,641
Securitisation of receivables (note 18)	19,875,154	–	19,875,154	–	19,875,154
Other creditors	–	1,850,386	1,850,386	14,767,579	16,617,965
	327,393,857	147,131,738	474,525,595	14,767,579	489,293,174

	Liabilities recorded at amortised cost	Other financial liabilities	Subtotal	Others not covered by IFRS 7	Total
					2011
Non-current liabilities					
Medium and long-term loans net of short-term portion (note 15)	370,217,570	–	370,217,570	–	370,217,570
Other non-current financial liabilities (note 16)	–	18,539,938	18,539,938	–	18,539,938
Securitisation of receivables (note 18)	29,872,311	–	29,872,311	–	29,872,311
	400,089,881	18,539,938	418,629,819	–	418,629,819
Current liabilities					
Short-term loans and other loans (note 15)	30,312,879	–	30,312,879	–	30,312,879
Trade creditors	–	143,666,705	143,666,705	–	143,666,705
Other current financial liabilities (note 19)	–	2,147,888	2,147,888	–	2,147,888
Securitisation of receivables (note 18)	19,729,485	–	19,729,485	–	19,729,485
Other creditors	–	2,491,613	2,491,613	19,548,067	22,039,680
	50,042,364	148,306,206	198,348,570	19,548,067	217,896,637

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 30 June 2012 and 2011, the movements occurred in Goodwill were as follows:

	2012	2011
Opening balance	521,103,723	526,141,552
Connectiv Acquisiton	8,494,057	-
Other movements of the period	41,813	(53,203)
Closing balance	529,639,593	526,088,349

For the periods ended at 30 June 2012 and 2011, the caption 'Other movements of the period' includes, mainly, the exchange rate update of the Goodwill.

Goodwill at 30 June 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
Connectiv	8,494,057	–
We Do	1,971,668	1,971,668
Praesidium Services	1,225,475	1,095,468
Unipress	321,698	321,698
Per-Mar	47,253	47,253
Be Towering	10,713	10,713
SIRS	–	72,820
	529,639,593	526,088,349

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 30 June 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 30 June 2012 and 2011, the heading 'Investments available for sale' did not present any movements.

At 30 June 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 30 June 2012 and 2011, amounted to Euro 95,931,140 and Euro 103,470,392, respectively, and arose, mainly, from tax losses carried forward, temporary differences and from differences between the accounting and tax amount of some fixed assets.

The movements in deferred tax assets in the periods ended at 30 June 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	(2,725,711)	(1,869,900)
Deferred tax assets related to tax losses and temporary diferences of previous years	5,157,499	4,499,324
Adjustments in the conversion to IAS/IFRS	(3,367,229)	(2,382,219)
Movements in provisions not accepted for tax purposes and tax benefits	(483,542)	480,708
Temporary differences resultant of UMTS license	(182,514)	(5,608)
Temporary net differences between the tax and the accounting amount of certain fixed assets	(4,726,005)	(5,225,984)
Temporary differences arising from the securitisation of receivables (Optimus)	(1,610,000)	(1,610,000)
Sub-total effect on results (note 22)	(7,937,502)	(6,113,679)
Others	14,761	(3,153)
Closing balance	95,931,140	103,470,392

At 31 December 2008, deferred tax assets were recognised in the amount of Euro 16.1 million with regard to the securitisation of future receivables completed in December 2008 (note 18). As a result of that operation, and in accordance with the provisions of *Decreto-Lei* nº 219/2001 (Decree-Law) of 4 August, an amount of Euro 100 million was generated from that operation and it was added for purposes of determining the taxable income for the year 2008, thereby generating a temporary difference between accounting and taxable income result, which led to the recognition of a deferred tax asset to the extent that its use was, with reasonable safety, probable. Until 30 June 2012, an amount of Euro 11.3 million was reversed corresponding to the reversal of the above referred temporary difference.

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

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

At 30 June 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 30 June 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 30 June 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	3,763,768	-	-	-	-	-	-	-	3,763,768
To be used until 2021	-	-	-	-	-	-	105,507	105,507	105,507
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	11,061	-	-	-	145,567	145,567
Tax losses	3,763,768	-	134,506	11,061	142,929	158,938	105,507	552,941	4,316,709
Tax provisions not accepted and other temporary differences	30,605,172	33,346	-	243,727	-	-	262,551	539,624	31,144,796
Tax benefits (SIFIDE)	3,536,742	-	-	-	-	-	-	-	3,536,742
Adjustments in the conversion to IAS/IFRS	16,835,602	526	-	-	-	-	-	526	16,836,128
Temporary differences arising from the securitisation of receivables	4,830,000	-	-	-	-	-	-	-	4,830,000
Differences between the tax and accounting amount of certain fixed assets and others	-	-	-	-	-	-	-	-	35,249,213
Others	-	-	-	(15,786)	14,989	-	18,349	17,552	17,552
Total	59,571,284	33,872	134,506	239,002	157,918	158,938	386,407	1,110,643	95,931,140

At 30 June 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	26,817,579	44,188,828
Temporary differences (provisions not accepted for tax purposes and other temporary diferences)	40,012,327	34,891,322
Others	14,805,757	16,285,117
	81,635,663	95,365,267

At 30 June 2012 and 2011, tax losses for which deferred tax assets were not recognised have the following due dates:

Due date	2012	2011
2011	-	2,068,426
2012	4,576,207	12,307,639
2013	13,846,284	13,849,849
2014	469,302	717,906
2015	3,853,099	6,395,816
2016	365,925	1,204,308
2017	153,947	1,772,700
2018	48,023	420,883
2019	331,156	1,460,177
2020	10,130	661,097
2021	50,078	32,323
2022	51,597	-
2025	-	198,816
2027	26,539	-
Unlimited	3,035,292	3,098,888
	26,817,579	44,188,828

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

The deferred tax liabilities at 30 June 2012 and 2011 amounting to Euro 1,925,792 and Euro 5,522,948, 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 30 June 2012 and 2011 were as follows:

	2012	2011 (restated)
Opening balance (restated)	(5,186,711)	(5,559,170)
Impact on results:		
Adjustments in the conversion to IAS/IFRS	-	(8,577)
Temporary differences between tax and accounting results of the tangile and intangible assets	2,770,104	30,664
Sub-total impact on results (note 22)	2,770,104	22,087
Others	490,815	14,135
Closing balance	(1,925,792)	(5,522,948)

The reconciliation between the earnings before taxes and the taxes recorded for the periods ended at 30 June 2012 and 2011 is as follows:

	2012	2011 (restated)
Earnings before taxes	44,747,364	39,733,223
Income tax rate (25%)	(11,186,841)	(9,933,306)
Deferred tax assets not recognised in the individual accounts and / or resulting from consolidation adjustments and other adjustments to taxable income	(2,353,949)	(3,902,546)
Record/(reverse) of deferred tax assets related to previous years	5,157,499	4,499,324
Use of tax losses and tax benefits without record of deferred tax asset in previous years	2,081,169	-
Temporary differences for the period without record of deferred tax assets	(1,024,063)	-
Record of deferred tax liabilities	-	22,087
Temporary differences arising from the securitisation of receivables	900,000	900,000
Movements in provisions not accepted for tax purposes and tax benefits	-	480,708
Movements in the temporary differences between the tax and accounting amounts of the UMTS license	(182,514)	(5,608)
Income taxation recorded in the period (note 22)	(6,608,699)	(7,939,341)

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

Supported by the Company's lawyers and Tax consultants, the Board of Directors believes that there are no liabilities not provisioned in the consolidated financial statements, associated to probable tax contingencies that should have been registered or disclosed in the accompanying financial statements, at 30 Junho 2012.

12. Cash and cash equivalents

At 30 June 2012 and 2011, the detail of cash and cash equivalents was as follows:

	2012	2011
Cash	205,725	272,172
Bank deposits repayable on demand	6,476,272	6,959,855
Treasury applications	102,337,405	118,910,000
Cash and cash equivalents	109,019,402	126,142,027
Bank overdrafts (note 15)	(4,528,024)	(2,127,831)
	104,491,378	124,014,196

At 30 June 2012 and 2011, the 'Treasury applications' had the following breakdown:

	2012	2011
Sonae Investments BV	26,810,000	46,810,000
Bank applications	75,527,405	72,100,000
	102,337,405	118,910,000

During the period ended at 30 June 2012, the above mentioned treasury applications bear interests at an average rate of 1.99% (2.41% in 2011).

13. Share capital

At 30 June 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%	194,063,119	52.99%
Atlas Service Belgium	73,249,374	20.00%	73,249,374	20.00%
Shares traded on the Portuguese Stock Exchange ('Free float')	76,104,586	20.78%	76,737,177	20.95%
Banco Comercial Português, S.A. (BCP)	12,500,998	3.41%	12,500,998	3.41%
Own shares	6,897,791	1.88%	9,045,200	2.47%
Sonae SGPS	3,430,000	0.94%	650,000	0.18%
Efanor Investimentos, S.G.P.S., S.A.	1,000	0.00%	1,000	0.00%
	366,246,868	100.00%	366,246,868	100.00%

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

14. Own shares

During the period ended at 30 June 2012, Sonaecom delivered to its employees 4,828,234 own shares under its Short and Medium Term Incentive Plan (1,764,157 own shares during the period ended at 30 June 2011).

Additionally, during the period ended at 30 June 2012, Sonaecom acquired 2,680,825 shares (at an average price of Euro 1.205), holding at 30 June 2012, 6,897,791 own shares, representative of 1.88% of its share capital at the average acquisition cost of Euro 1.374.

15. Loans

At 30 June 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
	'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	–	–	–	(2,223,289)	(1,545,828)
	Interests incurred but not yet due	–	–	–	2,038,176	886,154
					139,814,887	219,340,326
Sonaecom SGPS	Commercial paper	150,000,000	Jul-12	–	-	149,950,000
	Costs associated with financing set-up	–	–	–	-	(70,590)
	Interests incurred but not yet due	–	–	–	-	238,886
					-	150,118,296
WeDo USA	Bank loan	–	Apr-19	–	5,957,100	–
Unipress	Bank loan	–	Jun/Aug-13 and Jul-17	–	238,839	367,286
Saphety	Minority Shareholder loans	–	–	–	451,322	391,662
	Costs associated with financing set-up	–	–	–	(187,419)	–
	Interests incurred but not yet due	–	–	–	32,239	–
					146,306,969	370,217,570

b) Short-term loans and other loans

						Amount outstanding
Company	Issue denomination	Limit	Maturity	Type of reimbursement	2012	2011
Sonaecom	'Obrigações Sonaecom SGPS 2005'	150,000,000	Jun-13	Final	150,000,000	–
	'Obrigações Sonaecom SGPS 2010'	30,000,000	Feb-13	Final	30,000,000	–
					180,000,000	-
Sonaecom	Commercial paper	150,000,000	Jul-12	–	123,000,000	–
	Commercial paper	15,000,000	Jun-12	–	-	12,000,000
	Commercial paper	10,000,000	Nov-11	–	-	10,000,000
	Overdrafts facilities - CGD	–	–	–	-	6,150,000
	Costs associated with financing set-up	–	–	–	(49,631)	–
	Interests incurred but not yet due	–	–	–	40,310	35,048
					122,990,679	28,185,048
Sonaecom SGPS	Bank overdrafts (note 12)	–	–	–	-	2,112,779
Several	Bank overdrafts (note 12)	–	–	–	4,528,024	15,052
					4,528,024	2,127,831
					307,518,703	30,312,879

Bond Loan

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

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

In September 2011, Sonaecom signed a Bond Loan, privately placed, amounting to Euro 100 million without guarantees and with a maturity of three and half years. The bonds bear interest at floating rate, indexed to Euribor and paid semiannually. This issue was 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 3.37% (2.51% 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 30 million	May 2012	Caixa Geral de Depósitos	31-Jul-15
Euro 15 million	June 2010	Caixa Económica Montepio Geral	one year, possibly renewable
Euro 10 million*	November 2010	Banco Popular	one year, possibly renewable
Euro 5 million	April 2010	Banco BPI	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 30 June 2012, the main financial constraints (covenants) included in debt contracts are related with the bond issue completed by Sonaecom during September 2011, totalling Euro 100 million 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 and Wedo USA (regarding this company bank loan). The penalties applicable in the event of default in these covenants are generally the early payment of the loans obtained.

On 30 June 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 30 June 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):

	n+1	n+2	n+3	n+4	n+5
2012					
Bond loan:					
Reimbursements	-	-	140,000,000	-	-
Interests	5,625,000	5,625,000	4,094,162	-	-
Commercial paper:					
Reimbursements	-	-	-	-	-
Interests	-	-	-	-	-
	5,625,000	5,625,000	144,094,162	-	-
2011					
Bond loan:					
Reimbursements	–	180,000,000	–	40,000,000	–
Interests	6,322,700	5,821,422	1,402,400	1,029,707	–
Commercial paper:					
Reimbursements	–	149,950,000	–	–	–
Interests	2,344,000	199,079	–	–	–
	8,666,700	335,970,501	1,402,400	41,029,707	–

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 30 June 2011.

Minority Shareholder loans have no maturity defined.

At 30 June 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	123,000,000	27,000,000	x	
Sonaecom	Commercial paper	30,000,000	-	30,000,000		x
Sonaecom	Commercial paper	15,000,000	-	15,000,000	x	
Sonaecom	Commercial paper	10,000,000	-	10,000,000	x	
Sonaecom	Commercial paper	5,000,000	-	5,000,000	x	
Sonaecom	Bond loan	150,000,000	150,000,000	-	x	
Sonaecom	Bond loan	100,000,000	100,000,000	-		x
Sonaecom	Bond loan	40,000,000	40,000,000	-		x
Sonaecom	Bond loan	30,000,000	30,000,000	-	x	
Sonaecom	Overdraft facilities	16,500,000	-	16,500,000	x	
Sonaecom	Authorised overdrafts	2,500,000	-	2,500,000	x	
Saphety	Authorised overdrafts	219,030	-	219,030	x	
SIRS	Authorised overdrafts	150,000	-	150,000	x	
WeDo USA	Bank loan	5,957,100	5,957,100	-		x
Others	Several	-	5,218,185	-	x	
		555,326,130	454,175,285	106,369,030		
2011						
Sonaecom	Commercial paper	150,000,000	149,950,000	50,000		x
Sonaecom	Commercial paper	30,000,000	-	30,000,000	x	
Sonaecom	Commercial paper	15,000,000	12,000,000	3,000,000	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	6,150,000	10,350,000	x	
Sonaecom	Authorised overdrafts	2,500,000	2,112,779	387,221	x	
Others	Several	-	15,052	-	x	
		444,000,000	400,227,831	43,787,221		

At 30 June 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 30 June 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 19,908,024 and Euro 18,539,938, respectively.

At 30 June 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	-	-	1,407,376	1,124,385
2012	2,344,001	1,829,339	3,181,201	2,318,153
2013	4,365,020	3,376,518	2,925,785	2,143,113
2014	3,455,213	2,612,179	2,091,859	1,387,603
2015	3,348,404	2,635,554	2,115,398	1,469,786
2016 onwards	15,309,123	12,553,075	14,988,119	12,244,786
	28,821,760	23,006,665	26,709,738	20,687,826
Interests	(5,815,096)	–	(6,021,912)	–
	23,006,665	23,006,665	20,687,826	20,687,826
Short-term liability (note 19)	–	(3,098,641)	–	(2,147,888)
	23,006,665	19,908,024	20,687,826	18,539,938

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

17. Provisions and accumulated impairment losses

The movements in provisions and in accumulated impairment losses in the periods ended at 30 June 2012 and 2011 were as follows:

	Opening balance	Increases	Utilisations	Decreases	Closing balance
2012					
Accumulated impairment losses on accounts receivables	78,700,909	11,596,882	(19,213,073)	(19,265)	71,065,453
Accumulated impairment losses on inventories	12,801,233	664,389	(1,366,363)	–	12,099,259
Provisions for other liabilities and charges	48,549,956	587,538	(2,015,308)	(24,224)	47,097,962
	140,052,098	12,848,809	(22,594,744)	(43,489)	130,262,674
2011					
Accumulated impairment losses on accounts receivables	70,410,631	10,589,036	(10,736,958)	(360,472)	69,902,237
Accumulated impairment losses on inventories	14,930,606	1,910,174	(362,577)	–	16,478,203
Provisions for other liabilities and charges	33,150,028	1,383,356	(291,106)	(43,173)	34,199,105
	118,491,265	13,882,566	(11,390,641)	(403,645)	120,579,545

The increase of 'Provisions for other liabilities and charges' includes the amount of Euro 709,786 (2011: Euro 699,218) recorded in the profit and loss statement, under the caption 'Income taxation' (note 22). In 30 June 2011 it includes also the amount of Euro 42,199 related to the dismantling of sites, as foreseen in IAS 16 (note 1.d.)).

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 11,474,634 (2011: Euro 11,230,975).

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 30 June 2012 and 2011, the breakdown of the provisions for other liabilities and charges is as follows:

	2012	2011
Dismantling of sites	22,804,101	22,771,281
Several contingencies	3,864,843	3,054,651
Legal processes in progress	3,264,062	2,869,033
Indemnities	652,289	798,268
Other responsibilities	16,512,667	4,705,872
	47,097,962	34,199,105

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 for 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 19,875,154) was registered in current liabilities and the remainder, amounting to Euro 9,997,284, was registered in non-current liabilities.

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

At 30 June 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	19,875,154	9,997,284	–	–	–	29,872,438
2011						
Securitisation of receivables	19,729,485	19,875,031	9,997,280	–	–	49,601,796

19. Other current financial liabilities

At 30 June 2012, this caption includes the amount of Euro 3,098,641 (2011: Euro 2,147,888) related to the short term portion of lease contracts (note 16).

20. External supplies and services

'External supplies and services' for the periods ended at 30 June 2012 and 2011 had the following composition:

	2012	2011 (restated)
Interconnection costs	89,884,524	90,890,947
Specialised works	22,061,830	25,438,923
Rents	17,903,132	17,410,443
Other subcontracts	14,014,980	14,356,503
Advertising and promotion	10,563,557	13,619,805
Commissions	8,252,298	10,715,900
Leased lines	6,197,739	10,037,662
Energy	4,977,420	5,143,899
Maintenance and repairs	2,753,286	3,153,035
Fees	2,678,320	1,911,029
Travelling costs	2,652,366	2,607,586
Communications	2,343,039	2,836,450
Others	8,867,456	9,750,498
	193,149,947	207,872,680

The commitments assumed by the Group at 30 June 2012 and 2011 related to operational leases are as follows:

	2012	2011
Minimum payments of operational leases:		
2011	-	23,924,733
2012	18,902,032	44,135,038
2013	34,842,931	40,941,544
2014	32,195,276	38,736,463
2015	29,515,660	34,610,229
2016	25,754,683	32,542,418
2017	23,125,906	-
2018 onwards	33,030,151	32,783,232
Renewable by periods of one year	3,126,176	2,591,570
	200,492,815	250,265,227

During the period ended at 30 June 2012, an amount of Euro 21,863,199 (2011: Euro 23,783,909) was recorded in the heading 'External supplies and services' related with operational leasing rents, divided between the lines 'Rents' and 'Leased lines'.

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

21. Financial results

Net financial results for the periods ended at 30 June 2012 and 2011 were made up as follows:

	2012	2011
Financial expenses:		
Interest expenses:	(7,749,878)	(6,802,942)
Bank loans	(5,889,321)	(4,385,248)
Securitisation interests	(981,439)	(1,522,155)
Leasing	(471,866)	(506,913)
Other interests	(407,252)	(388,626)
Foreign exchange losses	(810,566)	(706,859)
Other financial expenses	(821,471)	(400,832)
	(9,381,915)	(7,910,633)
Financial income:		
Interest income	3,033,106	2,964,313
Foreign exchange gains	550,265	190,686
Others financial gains	11,518	2,874
	3,594,889	3,157,873

During the periods ended at 30 June 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 30 June 2012 and 2011 were made up as follows ((costs) / gains):

	2012	2011 (restated)
Current tax	(731,515)	(1,174,195)
Tax provision net of reduction (note 17)	(709,786)	(673,554)
Deferred tax assets (note 11)	(7,937,502)	(6,113,679)
Deferred tax liabilities (note 11)	2,770,104	22,087
	(6,608,699)	(7,939,341)

23. Related parties

During the periods ended at 30 June 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 30 June 2012 and 2011 were as follows:

	Balances at 30 June 2012			
	Accounts receivable	Accounts payable	Treasury applications (note 12)	Other assets / (liabilities)
Sonae SGPS	34,168	–	–	3,089
Modelo Continente Hipermercados, S.A.	859,572	535,360	–	(114,601)
Worten	2,806,609	(2,699)	–	(596,506)
Sonaecenter II	1,337,856	95,092	–	7,347
Sierra Portugal	1,048,722	81,987	–	(767,555)
Raso Viagens	96,019	94,675	–	(119,946)
Sonae Investments BV	–	–	26,810,000	2,031
France Télécom	978,368	4,105,279	–	(1,599,190)
	7,161,314	4,909,694	26,810,000	(3,185,331)

	Balances at 30 June 2011			
	Accounts receivable	Accounts payable	Treasury applications (note 12)	Other assets / (liabilities)
Sonae SGPS	31,399	3,552	–	5,743
Modelo Continente Hipermercados, S.A.	1,149,423	1,731,878	–	(415,586)
Worten	3,085,559	548,505	–	(540,765)
Sonaecenter II	2,358,829	459,558	–	82,519
Sierra Portugal	1,275,743	(42,340)	–	41,987
Raso Viagens	136,428	336,693	–	(216,781)
Sonae Investments BV	–	–	46,810,000	4,136
France Télécom	–	2,762,411	–	(2,090,950)
	8,037,381	5,800,257	46,810,000	(3,129,697)

	Transactions at 30 June 2012			
	Sales and services rendered	Supplies and services received	Interest and similar income / (expense)	Supplementary income
Sonae SGPS	2,368	4,500	221,776	–
Modelo Continente Hipermercados, S.A.	2,615,924	893,242	–	218,903
Worten	1,205,993	921,463	–	16
Sonaecenter II	4,697,541	393,692	–	–
Sierra Portugal	2,625,847	502,258	–	(57)
Raso Viagens	191,610	1,005,622	–	–
Sonae Investments BV	–	–	521,650	–
France Télécom	7,171,813	7,833,623	–	–
	18,511,096	11,554,400	743,426	218,862

	Transactions at 30 June 2011			
	Sales and services rendered	Supplies and services received	Interest and similar income / (expense)	Supplementary income
Sonae SGPS	43,056	50,000	(11,039)	–
Modelo Continente Hipermercados, S.A.	1,255,806	1,002,472	–	125,402
Worten	1,456,378	1,318,370	–	3,810
Sonaecenter II	4,093,581	274,545	–	–
Sierra Portugal	3,281,622	952,678	–	4,854
Raso Viagens	225,736	1,426,089	–	–
Sonae Investments BV	–	–	834,215	–
France Télécom	6,662,647	5,332,638	–	–
	17,018,826	10,356,792	823,176	134,066

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

All the above transactions were made at market prices.

Accounts receivable and payable to related companies will be settled in cash and are not covered by guarantees. During the periods ended at 30 June 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 30 June 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	9,350,818
WeDo	Espiríto Santo Bank	Bank loan	6,062,351	-
Optimus	Direção de Contribuições e Impostos (Portuguese tax authorities)	IRC – Tax assessment	4,039,639	1,711,220
We Do and WeDo Egypt	AD Makedonski, Digi Telecommunications, Emirates Telecom. Corp., Pak Telecom, Scotiabank, Sirilanka Telecom, Telcel, Oman Telecommunications, Telefonica Moviles and Etisalat	Completion of work to be done	926,959	1,136,582
Sonaecom	Direção de Contribuições e Impostos (Portuguese tax authorities)	Tax audit 2005	754,368	754,368
We Do, Saphety and Digitmarket	IAPMEI	'HERMES' project - QREN	417,797	436,822
Optimus	Direção Geral do Tesouro (Portuguese tax authorities)	IRC – Witholding tax on payments to non-residents	306,954	307,348
Optimus	Câmara Municipal de Coimbra, Lisboa, Elvas, Mealhada, Barcelos, Sintra, Chaves, Oeiras and Covilha (Coimbra, Lisboa, Elvas, Mealhada, Barcelos, Sintra, Chaves, Oeiras and Covilha Municipalities)	Completion of work to be done	128,388	287,702
Optimus and Público	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		1,074,907	1,106,887
			53,041,181	15,961,258

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 30 June 2012, the Board of Directors of the Group believes that the decision of the court proceedings and ongoing tax assessments in progress will not have significant impacts on the consolidated financial statements.

25. Information by business segment

The following business segments were identified for the periods ended at 30 June 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 30 June 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 30 June 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	
	June 2012	June 2011 (restated)	June 2012	June 2011 (restated)	June 2012	June 2011 (restated)	June 2012	June 2011 (restated)	June 2012	June 2011 (restated)	June 2012	June 2011 (restated)	June 2012	June 2011 (restated)	June 2012	June 2011 (restated)
Revenues:																
Sales and services rendered	355,632,115	368,944,742	11,029,693	13,245,393	49,015,218	55,902,473	1,926,858	1,992,659	-	110,400	417,603,884	440,195,667	(10,692,098)	(14,790,314)	406,911,786	425,405,353
Other operating revenues	5,935,002	6,057,330	214,955	200,080	717,252	281,862	30,884	88,149	-	-	6,898,093	6,627,421	(1,899,643)	(2,290,583)	4,998,450	4,336,838
Total revenues	361,567,117	375,002,072	11,244,648	13,445,473	49,732,470	56,184,335	1,957,742	2,080,808	-	110,400	424,501,977	446,823,088	(12,591,741)	(17,080,897)	411,910,236	429,742,191
Depreciation and amortisation	(68,038,573)	(70,132,471)	(519,861)	(605,500)	(2,589,313)	(2,485,009)	(34,245)	(38,260)	-	(15,335)	(71,181,992)	(73,276,575)	(2,791,112)	402,819	(73,973,104)	(72,873,756)
Net operating income / (loss) for the segment	53,839,328	45,933,801	(1,851,017)	(1,892,664)	1,966,751	871,607	(380,082)	(552,341)	-	37,550	53,574,980	44,397,953	(3,040,590)	88,030	50,534,390	44,485,983
Net interests	(3,230,532)	(6,338,710)	(163,860)	(111,464)	(454,952)	(412,181)	48,742	3,362,887	-	(29,237)	(3,800,602)	(3,528,705)	(916,171)	(309,924)	(4,716,773)	(3,838,629)
Other financial results	(639,017)	(31,674)	8,875	(3,824)	(238,324)	(709,404)	75,068,851	2,017,236	-	(40)	74,200,385	1,272,294	(75,270,638)	(2,186,425)	(1,070,253)	(914,131)
Consolidated EBT for the period	49,969,779	39,563,417	(2,006,002)	(2,007,952)	1,273,475	(249,978)	74,737,511	4,827,782	-	8,273	123,974,763	42,141,542	(79,227,399)	(2,408,319)	44,747,364	39,733,223
Assets:																
Tangible and intangible assets and goodwill	960,752,059	858,718,772	3,821,454	4,031,973	75,788,476	68,808,498	329,447	398,787	-	3,075	1,040,691,436	931,961,105	446,873,173	457,402,622	1,487,564,609	1,389,363,727
Inventories	6,573,554	19,551,613	691,166	758,776	252,327	34,153	-	-	-	-	7,517,047	20,344,542	-	-	7,517,046	20,344,542
Financial investments	-	1,282,025	209,829	441,509	2,494	2,494	1,058,851,476	1,134,606,802	-	-	1,059,063,799	1,136,332,830	(1,058,851,476)	(1,136,120,507)	212,323	212,323
Other non-current assets	87,247,114	105,547,800	3,570	-	8,291,373	1,457,999	98,770,998	520,775,752	-	1,554,812	194,313,055	629,336,363	(98,068,455)	(525,585,770)	96,244,600	103,750,593
Other current assets of the segment	246,891,838	284,437,678	8,968,090	9,651,898	44,602,834	48,139,333	583,338,019	77,388,863	-	88,638	883,800,781	419,706,410	(549,855,366)	(79,971,925)	333,945,415	339,734,485
Liabilities:																
Liabilities of the segment	929,643,241	751,250,692	19,923,144	19,885,175	88,927,561	65,172,025	447,619,527	464,732,427	-	1,486,671	1,486,113,473	1,302,526,990	(607,516,143)	(451,649,125)	878,597,330	850,877,865
CAPEX	59,862,752	52,166,441	215,610	303,413	11,042,517	1,836,677	21,738,810	166,690,000	-	3,381	92,859,689	220,999,912	(23,957,215)	(167,285,778)	68,902,474	53,714,134

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	
	June 2012	June 2011 (restated)	June 2012	June 2011 (restated)	June 2012	June 2011 (restated)	June 2012	June 2011 (restated)
Income:								
Sales and services rendered	262,475,374	280,327,708	108,755,968	106,916,602	(15,599,227)	(18,299,568)	355,632,115	368,944,742
Other operating revenues	14,604,787	17,000,743	530,060	398,024	(9,199,845)	(11,341,437)	5,935,002	6,057,330
Total revenues	277,080,161	297,328,451	109,286,027	107,314,626	(24,799,071)	(29,641,005)	361,567,117	375,002,072
Depreciation and amortisation	(51,316,399)	(52,049,365)	(16,599,788)	(18,003,225)	(122,386)	(79,881)	(68,038,573)	(70,132,471)
Operational results of the segments	63,570,337	57,870,989	(9,619,432)	(11,882,523)	(111,576)	(54,666)	53,839,328	45,933,801
Assets:								
Tangible assets and goodwill	827,917,001	704,682,584	132,835,059	154,036,188	-	-	960,752,059	858,718,772
Inventories	5,722,456	18,330,972	851,097	1,220,641	-	-	6,573,554	19,551,613
Financial investments	-	1,282,025	-	-	-	-	-	1,282,025
CAPEX	48,940,126	40,133,354	9,567,647	11,876,597	1,354,979	156,490	59,862,752	52,166,441

During the periods ended at 30 June 2012 and 2011, the inter-segments sales and services were as follows:

	Telecommunications	Multimedia	Information Systems	Holding Activities	Others
2012					
Telecommunications	-	-	7,573,099	1,653,557	-
Multimedia	531,725	-	19,854	85,784	-
Information Systems	698,679	15,162	-	177,600	-
Holding Activities	46,886	2,291	1,382	-	-
Sonaecom others	-	-	-	-	-
Others	354,354,825	11,012,240	41,420,883	9,917	-
	355,632,115	11,029,693	49,015,218	1,926,858	
2011					
Telecommunications	-	-	11,249,171	1,729,866	110,400
Multimedia	652,858	-	35,374	86,127	-
Information Systems	683,059	36,635	-	176,666	-
Holding Activities	26,636	1,800	1,018	-	-
Sonaecom others	704	-	-	-	-
Others	367,581,485	13,206,958	44,616,910	-	-
	368,944,742	13,245,393	55,902,473	1,992,659	110,400

26. Earnings per share

Earnings per share, basic and diluted, are calculated by dividing the consolidated net income attributable to the Group (Euro 38,134,433 in 2012 and Euro 31,803,380 in 2011 restated) by the average number of shares outstanding during the periods ended at 30 June 2012 and 2011, net of own shares (359,087,890 in 2012 and 357,124,479 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 30 June 2012 can be summarised as follows:

			Vesting period		30 June 2012
	Share price at award date*	Award date	Vesting date	Aggregate number of participations	Number of options / shares
Sonaecom shares					
2008 Plan	1.117	10-Mar-09	09-Mar-12	-	-
2009 Plan	1.685	10-Mar-10	08-Mar-13	379	2,549,444
2010 Plan	1.399	10-Mar-11	10-Mar-14	372	2,996,665
2011 Plan	1.256	09-Mar-12	10-Mar-15	367	3,099,924
Sonae SGPS shares					
2008 Plan	0.526	10-Mar-09	09-Mar-12	-	-
2009 Plan	0.761	10-Mar-10	08-Mar-13	4	342,242
2010 Plan	0.811	10-Mar-11	10-Mar-14	8	412,823
2011 Plan	0.401	09-Mar-12	10-Mar-15	7	761,890

*Average share price in the month prior to the award date for Sonaecom shares and the lower of the average share price for the month prior to the Annual General Meeting and the share price on the day after the Annual General Meeting, for Sonae SGPS shares.

During the period ended at 30 June 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	367	2,911,077	7	701,138
Vested	(380)	(3,761,450)	(4)	(405,776)
Cancelled / elapsed/transfers (1)	(24)	603,936	-	120,960
Outstanding at 30 June 2012:				
Unvested	1,118	8,646,033	19	1,516,955
Total	1,118	8,646,033	19	1,516,955

(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 of 2009 and 2010, the responsibility is calculated taking into consideration the share price at award date of each plan. Regarding Sonaecom's share plan of 2011, the group will enter in hedging contract with an external entity and the liabilities will be calculated using the estimated price to be fixed in the contract. The responsibility for the share plans of 2009 and 2010 was recorded under the heading 'Medium Term Incentive Plans Reserve' and the responsibility for the share plan of 2011 was recorded under the heading 'Other non-current liabilities'. For the Sonae SGPS share plans, except for one of the plans, the Group entered into hedging contracts with external entities and the liabilities are calculated based on the prices agreed in those contracts. The responsibility of these plans is recorded under the headings of 'Other current liabilities' and 'Other non-current liabilities'.

Share plan costs are recognised in the accounts over the year between the award and the vesting date of those shares. The costs recognised in previous years and in the period ended at 30 June 2012, were as follows:

	Amount
Costs recognised in previous years	31,075,127
Costs recognised in the period	2,467,919
Costs of plans vested in previous years	(23,313,389)
Costs of plans vested in the period	(4,451,700)
Total cost of the plans	5,777,957
Recorded in 'Other current liabilities'	215,166
Recorded in 'Other non-current liabilities'	559,073
Recorded in reserves	5,003,718

28. Other matters

At 30 June 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.

Following a deliberation of Board of Directors of ICP - ANACOM, it was applied to the Sonaecom's subsidiary Optimus, a fine of approximately 6.5 million euros, due to an alleged failure in the application of the resolutions taken by the regulator's on 26 October 2005, concerning termination rates for fixed calls. The Boards of Directors of Optimus and Sonaecom understand that Optimus has always complied with that resolution. Given this, Optimus contested in court the application of that fine and is expecting that the appeal will be upheld.

These consolidated financial statements were approved by the Board of Directors on 20 July 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 UK Holdings Ltd
Continente Hipermercados, S.A.	Glunz Uka Gmbh
Contry Club da Maia-Imobiliaria, S.A.	GMET, ACE
Cooper Gay Swett & Crawford Lt	Golf Time – Golfe e Invest. Turísticos, S.A.
Craiova Mall BV	Guimarãeshopping – Centro Comercial, S.A.
Cronosaúde – Gestão Hospitalar, S.A.	Harvey Dos Iberica, S.L.
Cumulativa – Sociedade Imobiliária, S.A.	Herco Consultoria de Riscos e Corretora de Seguros Ltda
Darbo S.A.S	HighDome PCC Limited
Deutsche Industrieholz GmbH	Iberian Assets, S.A.
Discovery Sports, SA	Igimo – Sociedade Imobiliária, S.A.
Dortmund Tower GmbH	Iginha – Sociedade Imobiliária, S.A.
Dos Mares – Shopping Centre B.V.	Imoareia – Invest. Turísticos, SGPS, S.A.
Dos Mares – Shopping Centre, S.A.	Imobiliária da Cacela, S.A.
Ecociclo – Energia e Ambiente, S.A.	Imoclub – Serviços Imobilários, S.A.
Ecociclo II	Imoconti – Soc.Imobiliária, S.A.
Edições Book.it, S.A.	Imodivor – Sociedade Imobiliária, S.A.
Edificios Saudáveis Consultores, S.A.	Imoestrutura – Soc.Imobiliária, S.A.
Efanor Investimentos, SGPS, S.A.	Imoferro – Soc.Imobiliária, S.A.
Efanor Serviços de Apoio à Gestão, S.A.	Imohotel – Emp.Turist.Imobiliários, S.A.
El Rosal Shopping, S.A.	Imomuro – Sociedade Imobiliária, S.A.
Emfísico Boavista	Imopenínsula – Sociedade Imobiliária, S.A.
Empreend.Imob.Quinta da Azenha, S.A.	Imoplamac Gestão de Imóveis, S.A.
Equador & Mendes, Lda	Imoponte – Soc.Imobiliaria, S.A.
Espimaia – Sociedade Imobiliária, S.A.	Imoresort – Sociedade Imobiliária, S.A.
Estação Viana – Centro Comercial, S.A.	Imoresultado – Soc.Imobiliaria, S.A.
Estêvão Neves – Hipermercados Madeira, S.A.	Imosedas – Imobiliária e Seviços, S.A.
Euroresinas – Indústrias Quimicas, S.A.	Imosistema – Sociedade Imobiliária, S.A.
Farmácia Selecção, S.A.	Imosonae II
Fashion Division Canárias, SL	Impaper Europe GmbH & Co. KG
Fashion Division, S.A.	Implantação – Imobiliária, S.A.
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.	Invesaude - Gestão Hospitalar S.A.
Gaiashopping II – Centro Comercial, S.A.	Investalentejo, SGPS, 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
Glunz Service GmbH	Laminate Park GmbH Co. KG

Larim Corretora de Resseguros Ltda	Norteshopping – Centro Comercial, S.A.
Larissa Develop. Of Shopping Centers, S.A.	Norteshopping Retail and Leisure Centre, BV
Lazam – MDS Corretora e Administradora de Seguros, S.A.	Nova Equador Internacional,Ag.Viag.T, Ld
LCC LeiriaShopping Centro Comercial SA	Nova Equador P.C.O. e Eventos
Le Terrazze - Shopping Centre 1 Srl	Operscut – Operação e Manutenção de Auto-estradas, S.A.
Libra Serviços, Lda.	OSB Deustchland Gmbh
Lidergraf – Artes Gráficas, Lda.	PantheonPlaza BV
Loop5 Shopping Centre GmbH	Paracentro – Gest.de Galerias Com., S.A.
Loureshopping – Centro Comercial, S.A.	Pareuro, BV
Luz del Tajo – Centro Comercial S.A.	Park Avenue Develop. of Shop. Centers S.A.
Luz del Tajo B.V.	Parque Atlântico Shopping – C.C., S.A.
Madeirashopping – Centro Comercial, S.A.	Parque D. Pedro 1 B.V.
Maiashopping – Centro Comercial, S.A.	Parque D. Pedro 2 B.V.
Maiequipa – Gestão Florestal, S.A.	Parque de Famalicão – Empr. Imob., S.A.
Marcas do Mundo – Viag. e Turismo Unip, Lda	Parque Principado SL
Marcas MC, ZRT	Pátio Boavista Shopping Ltda.
Marina de Tróia S.A.	Pátio Campinas Shopping Ltda
Marinamagic – Expl.Cent.Lúdicos Marít, Lda	Pátio Goiânia Shopping Ltda
Marmagno – Expl.Hoteleira Imob., S.A.	Pátio Londrina Empreend. e Particip. Ltda
Martimope – Sociedade Imobiliária, S.A.	Pátio Penha Shopping Ltda.
Marvero – Expl.Hoteleira Imob., S.A.	Pátio São Bernardo Shopping Ltda
MDS Affinity - Sociedade de Mediação, Lda	Pátio Sertório Shopping Ltda
MDS Assoc. Corretora de Seguros Ltda	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 Holland, BV
Project Sierra Three Srl	Sierra Development Greece, S.A.
Project Sierra Two Srl	Sierra Developments Germany GmbH
Promessa Sociedade Imobiliária, S.A.	Sierra Developments Holding B.V.
Prosa – Produtos e serviços agrícolas, S.A.	Sierra Developments Italy S.r.l.
Puravida – Viagens e Turismo, S.A.	Sierra Developments Romania, Srl
Quorum Corretora de seguros LT	Sierra Developments Spain – Prom.C.Com.SL
Racionaliz. y Manufact.Florestales, S.A.	Sierra Developments, SGPS, S.A.
RASO - Viagens e Turismo, S.A.	Sierra Enplanta Ltda
RASO, SGPS, S.A.	Sierra European R.R.E. Assets Hold. B.V.
Rio Sul – Centro Comercial, S.A.	Sierra GP Limited
River Plaza Mall, Srl	Sierra Investimentos Brasil Ltda
River Plaza, BV	Sierra Investments (Holland) 1 B.V.

Sierra Investments (Holland) 2 B.V.	Sonae SGPS, S.A.
Sierra Investments Holding B.V.	Sonae Sierra Brasil S.A.
Sierra Investments SGPS, S.A.	Sonae Sierra Brazil B.V.
Sierra Italy Holding B.V.	Sonae Sierra, SGPS, S.A.
Sierra Management Germany GmbH	Sonae Tafibra Benelux, BV
Sierra Management Greece S.A.	Sonae Turismo – SGPS, S.A.
Sierra Management Italy S.r.l.	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.
Sierra Portugal, S.A.	Sontel BV
SII – Soberana Invest. Imobiliários, S.A.	Sontur BV
SIRS – Sociedade Independente de Radiodifusão Sonora, S.A.	Sonvecap BV
SISTAVAC, S.A.	Sopair, S.A.
SKK – Central de Distr., S.A.	Sotáqua – Soc. de Empreendimentos Turist
SKK SRL	Spanboard Products, Ltd
SKKFOR – Ser. For. e Desen. de Recursos	SPF – Sierra Portugal Real Estate, Sarl
Sociedade de Construções do Chile, S.A.	Spinarq - Engenharia, Energia e Ambiente, SA
Société de Tranchage Isoroy S.A.S.	Spinveste – Gestão Imobiliária SGII, S.A.
Socijofra – Sociedade Imobiliária, S.A.	Spinveste – Promoção Imobiliária, S.A.
Sociloures – Soc.Imobiliária, S.A.	Sport Retalho España – Servicios Gen., S.A.
Soconstrução BV	Sport Zone – Comércio Art.Desporto, S.A.
Sodesa, S.A.	Sport Zone – Turquia
Soflorin, BV	Sport Zone Canárias, SL
Soira – Soc.Imobiliária de Ramalde, S.A.	Sport Zone España-Com.Art.de Deporte,SA
Solinca - Eventos e Catering, SA	Spred, SGPS, SA
Solinca - Health and Fitness, SA	Stinnes Holz GmbH
Solinca – Investimentos Turísticos, S.A.	Tableros Tradema, S.L.
Solinfitness – Club Malaga, S.L.	Tafiber,Tableros de Fibras Ibéricas, SL
Solingen Shopping Center GmbH	Tafibra Polska Sp.z.o.o.
Soltroia – Imob.de Urb.Turismo de Tróia, S.A.	Tafibra South Africa
Somit Imobiliária	Tafibra Suisse, SA
SONAE - Specialized Retail, SGPS, SA	Tafisa – Tableros de Fibras, S.A.
Sonae Capital Brasil, Lda	Tafisa Canadá Societé en Commandite
Sonae Capital,SGPS, S.A.	Tafisa France, S.A.
Sonae Center II S.A.	Tafisa UK, Ltd
Sonae Center Serviços, S.A.	Taiber,Tableros Aglomerados Ibéricos, SL
Sonae Ind., Prod. e Com.Deriv.Madeira, S.A.	Tarkett Agepan Laminate Flooring SCS
Sonae Indústria – SGPS, S.A.	Tecmasa Reciclados de Andalucia, SL
Sonae Industria de Revestimentos, S.A.	Terra Nossa Corretora de Seguros Ltda
Sonae Indústria Manag. Serv, SA	Têxtil do Marco, S.A.
Sonae Investimentos, SGPS, SA	Tlantic Portugal – Sist. de Informação, S.A.
Sonae Novobord (PTY) Ltd	Tlantic Sistemas de Informação Ltdª
Sonae RE, S.A.	Todos os Dias – Com.Ret.Expl.C.Comer., S.A.
Sonae Retalho Espana – Servicios Gen., S.A.	Tool Gmbh

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.	
Vastgoed One – Sociedade Imobiliária, S.A.	
Vastgoed Sun – Sociedade Imobiliária, S.A.	
Via Catarina – Centro Comercial, S.A.	
Viajens y Turismo de Geotur España, S.L.	

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

12.3. Sonaecom individual financial statements

Balance sheets

For the periods ended at 30 June 2012 and 2011 and for the year ended at 31 December 2011

	Notes	June 2012	June 2011	December 2011
Assets				
Non-current assets				
Tangible assets	1a, 1e and 2	327,916	393,392	361,047
Intangible assets	1b and 3	1,531	5,395	2,285
Investments in Group companies	1c and 5	1,083,529,576	1,100,697,029	1,097,478,929
Other non-current assets	1c, 1m, 1n, 4 and 6	108,948,228	587,249,652	542,879,752
Total non-current assets		1,192,807,251	1,688,345,468	1,640,722,013
Current assets				
Other current debtors	1d, 1f, 4 and 8	473,523,710	15,584,333	5,250,772
Other current assets	1m	1,630,150	1,990,083	1,249,804
Cash and cash equivalents	1g, 4 and 9	78,802,244	21,736,335	61,289,703
Total current assets		553,956,104	39,310,751	67,790,279
Total assets		1,746,763,355	1,727,656,219	1,708,512,292
Shareholders' funds and liabilities				
Shareholders' funds				
Share capital	10	366,246,868	366,246,868	366,246,868
Own shares	1p and 11	(10,138,930)	(13,594,518)	(13,594,518)
Reserves	1o	869,776,613	903,920,831	904,095,590
Net income / (loss) for the period		74,897,642	(324,794)	(7,960,682)
Total Shareholders' funds		1,300,782,193	1,256,248,387	1,248,787,258
Liabilities				
Non-current liabilities				
Medium and long-term loans – net of short-term portion	1h, 4 and 12a	139,814,887	369,529,212	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	100,713	201,332	271,207
Total non-current liabilities		139,986,534	369,799,198	319,825,726
Current liabilities				
Short-term loans and other loans	1g, 1h, 4 and 12b	304,673,797	96,562,006	137,109,904
Other creditors	4 and 14	508,071	4,119,553	1,579,811
Other current liabilities	1m and 1s	812,760	927,075	1,209,593
Total current liabilities		305,994,628	101,608,634	139,899,308
Total Shareholders' funds and liabilities		1,746,763,355	1,727,656,219	1,708,512,292

The notes are an integral part of the financial statements at 30 June 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

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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 and quarters ended at 30 June 2012 and 2011 and for the year ended at 31 December 2011

	Notes	June 2012 (not audited)	April to June 2012 (not audited)	June 2011 (not audited)	April to June 2011 (not audited)	December 2011
Services rendered	18	1,926,858	962,437	1,992,659	1,124,870	3,879,652
Other operating revenues	1f and 18	-	-	88,149	83,461	896
		1,926,858	962,437	2,080,808	1,208,331	3,880,548
External supplies and services	1e and 15	(997,526)	(492,048)	(1,132,938)	(424,927)	(1,986,852)
Staff expenses	1s and 21	(1,196,785)	(560,003)	(1,366,696)	(756,265)	(2,655,517)
Depreciation and amortisation	1a, 1b, 2 and 3	(34,245)	(16,992)	(38,260)	(18,916)	(75,411)
Provisions and impairment losses	1k and 13	(15,387)	–	–	–	–
Other operating costs		(32,249)	(15,475)	(37,556)	(18,934)	(100,022)
		(2,276,192)	(1,084,518)	(2,575,450)	(1,219,042)	(4,817,802)
Gains and losses on Group companies	16	75,270,712	(1,718,149)	(3,236,000)	–	(9,880,000)
Other financial expenses	1c, 1h, 1i, 1q, 12, 16 and 18	(7,191,230)	(3,361,910)	(5,050,670)	(2,745,482)	(12,043,254)
Other financial income	9, 16 and 18	7,143,693	3,490,303	10,326,276	4,879,456	15,312,037
Current income / (loss)		74,873,841	(1,711,837)	1,544,964	2,123,263	(7,548,471)
Income taxation	1l, 7 and 17	23,801	(67,618)	(1,869,758)	(1,128,139)	(412,211)
Net income / (loss) for the period		74,897,642	(1,779,455)	(324,794)	995,124	(7,960,682)
Earnings per share	20					
Including discontinued operations:						
Basic		0.21	(0.01)	(0.00)	0.00	(0.02)
Diluted		0.21	(0.01)	(0.00)	0.00	(0.02)
Excluding discontinued operations:						
Basic		0.21	(0.01)	(0.00)	0.00	(0.02)
Diluted		0.21	(0.01)	(0.00)	0.00	(0.02)

The notes are an integral part of the financial statements at 30 June 2012 and 2011.

The Chief Accountant

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Nuno Manuel Moniz Trigoso Jordão

Statement comprehensive income

For the periods and quarters ended at 30 June 2012 and 2011

	Notes	June 2012 (not audited)	April to June 2012 (not audited)	June 2011 (not audited)	April to June 2011 (not audited)
Net income / (loss) for the period		74,897,642	(1,779,455)	(324,794)	995,124
Components of other comprehensive income, net of tax		-	-	-	-
Statement comprehensive income for the period		74,897,642	(1,779,455)	(324,794)	995,124

The notes are an integral part of the financial statements at 30 June 2012 and 2011.

The Chief Accountant

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Movements in Shareholders' funds

For the periods ended at 30 June 2012 and 2011

			Reserves								
	Share capital	Own shares (note 11)	Share premium	Legal reserves	Own shares reserves	Medium Term Incentive Plans reserves (note 21)	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	13,594,518	742,525	106,476,978	904,095,590	(7,960,682)	1,248,787,258
Appropriation of result of 2011										
Transfer to legal reserves and other reserves	-	-	-	-	-	-	(7,960,682)	(7,960,682)	7,960,682	-
Dividends distribution	-	-	-	-	-	-	(25,172,240)	(25,172,240)	-	(25,172,240)
Comprehensive income for the period ended at 30 June 2012	-	-	-	-	-	-	-	-	74,897,642	74,897,642
Delivery of own shares under the Short and Medium Term Incentive Plans	-	438,791	-	-	(438,791)	(443,650)	443,650	(438,791)	-	-
Sale of own shares to subsidiaries under the Medium Term Incentive Plans	-	4,949,143	-	-	(4,949,143)	-	4,008,618	(940,525)	-	4,008,618
Delivery of own shares under the loan in shares to subsidiaries	-	1,962,514	-	-	(1,962,514)	-	1,962,514	-	-	1,962,514
Reimbursement of own shares under the loan in shares to subsidiaries	-	(1,719,545)	-	-	1,719,545	-	(1,719,545)	-	-	(1,719,545)
Effect of the recognition of the Medium Term Incentive Plans	-	-	-	-	-	193,261	-	193,261	-	193,261
Acquisition of own shares	-	(2,175,315)	-	-	2,175,315	-	(2,175,315)	-	-	(2,175,315)
Balance at 30 June 2012	366,246,868	(10,138,930)	775,290,377	7,991,192	10,138,930	492,136	75,863,978	869,776,613	74,897,642	1,300,782,193

For the periods ended at 30 June 2012 and 2011

			Reserves								
	Share capital	Own shares (note 11)	Share premium	Legal reserves	Own shares reserves	Medium Term Incentive Plans reserves (note 21)	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	15,030,834	551,381	(3,849,290)	788,244,305	135,403,787	1,274,864,126
Appropriation of result of 2010										
Transfer to legal reserves and other reserves	-	-	-	6,770,189	-	-	128,633,598	135,403,787	(135,403,787)	0
Dividends distribution	-	-	-	-	-	-	(17,859,403)	(17,859,403)	-	(17,859,403)
Comprehensive income for the period ended at 30 June 2011	-	-	-	-	-	-	-	-	(324,794)	(324,794)
Delivery of own shares under the Medium Term Incentive Plans	-	3,659,603	-	-	(3,659,603)	(186,538)	1,775,360	(2,070,781)	-	1,588,822
Effect of the recognition of the Medium Term Incentive Plans	-	-	-	-	-	202,923	-	202,923	-	202,923
Acquisition of own shares	-	(2,223,287)	-	-	2,223,287	-	(2,223,287)	-	-	(2,223,287)
Balance at 30 June 2011	366,246,868	(13,594,518)	775,290,377	7,991,192	13,594,518	567,766	106,476,978	903,920,831	(324,794)	1,256,248,387

The notes are an integral part of the financial statements at 30 June 2012 and 2011.

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Nuno Manuel Moniz Trigoso Jordão

Cash Flow statements

For the periods ended at 30 June 2012 and 2011

		June 2012		June 2011
Operating activities				
Payments to employees	(1,561,257)		(1,783,127)	
Cash flows from operating activities	(1,561,257)		(1,783,127)	
Payments / receipts relating to income taxes, net	(1,317,852)		1,017,540	
Other payments / receipts relating to operating activities, net	5,583,322		2,641,211	
Cash flows from operating activities (1)	2,704,213	2,704,213	1,875,625	1,875,625
Investing activities				
Receipts from:				
Investments	21,688,811		17,840,000	
Interest and similar income	4,120,481		3,563,712	
Loans granted	–		161,541,000	
Dividends	78,877,861	104,687,153	–	182,944,712
Payments for:				
Investments	(21,738,810)		(175,550,291)	
Tangible assets	(2,446)		(1,968)	
Loans granted	(20,793,000)	(42,534,256)	(146,370,000)	(321,922,259)
Cash flows from investing activities (2)		62,152,897		(138,977,547)
Financing activities				
Receipts from:				
Loans obtained	5,000,000	5,000,000	111,699,000	111,699,000
Payments for:				
Interest and similar expenses	(7,699,014)		(5,007,090)	
Acquisition of own shares	(2,175,315)		(2,223,287)	
Loans obtained	(17,298,000)		(5,515,000)	
Dividends	(25,172,240)	(52,344,569)	(17,859,403)	(30,604,779)
Cash flows from financing activities (3)		(47,344,569)		81,094,221
Net cash flows (4)=(1)+(2)+(3)		17,512,541		(56,007,700)
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		78,802,244		19,623,556

The notes are an integral part of the financial statements at 30 June 2012 and 2011.

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

Notes to the cash flow statements

For the periods ended at 30 June 2012 and 2011

	2012	2011
1. Acquisition or sale of subsidiaries or other businesses		
a) Other business activities		
Reimburse of supplementary capital from Be Artis	14,943,304	–
Reimburse of supplementary capital from PCJ - Público, Comunicação e Jornalismo, S.A.	3,501,772	–
Reimburse of supplementary capital from Público- Comunicação Social, S.A.	3,243,735	17,840,000
	21,688,811	17,840,000
b) Other business activities		
Coverage losses Be Artis	14,943,304	–
Coverage losses PCJ - Público, Comunicação e Jornalismo, S.A.	3,501,772	–
Coverage losses Público - Comunicação Social, S.A.	3,243,735	–
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.	–	8,860,291
Payment of Acquisiction Público - Comunicação Social, S.A.	–	20,000,000
Payment of Acquisiction Optimus - Comunicações S.A.	–	133,700,000
	21,738,811	175,550,291
c) Dividends received		
Optimus - Comunicações, S.A.	46,726,962	–
Sonae Telecom, SGPS, S.A.	17,434,926	–
Sonae Com Sistemas de Informação, SGPS, S.A.	14,132,500	–
Sontária - Empreendimentos Imobiliários, S.A.	583,473	–
	78,877,861	–
2. Details of cash and cash equivalents		
Cash in hand	10,579	10,519
Cash at bank	71,665	80,816
Treasury applications	78,720,000	21,645,000
Overdrafts	–	(2,112,779)
Cash and cash equivalents	78,802,244	19,623,556
Overdrafts	–	2,112,779
Cash assets	78,802,244	21,736,335
3. Description of non-monetary financing activities		
a) Bank credit obtained and not used	106,219,030	43,787,221
b) Purchase of company through the issue of shares	Not applicable	Not applicable
c) Conversion of loans into shares	Not applicable	Not applicable

The notes are an integral part of the financial statements at 30 June 2012 and 2011.

Chief Accountant

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Frank Emmanuel Dangeard

12.4. Notes to the individual financial statements

SONAECOM, S.G.P.S., S.A., (hereinafter referred to as 'the Company' or 'Sonaecom') was established on 6 June 1988, under the name Sonae – Tecnologias de Informação, S.A. and has its head office at Lugar de Espido, Via Norte, Maia – Portugal.

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

On 3 November 1999, the Company's share capital was increased, its Articles of Association were modified and its name was changed to Sonae.com, S.G.P.S., S.A.. Since then the Company's corporate object has been the management of investments in other companies. Also on 3 November 1999, the Company's share capital was re-denominated to euro, being represented by one hundred and fifty million shares with a nominal value of 1 euro each.
On 1 June 2000, the Company carried out a Combined Share Offer, involving the following:

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

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

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

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

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

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

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

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

The financial statements are presented in euro, rounded at unit.

1. Basis of presentation

The accompanying financial statements have been prepared on a going concern basis, based on the Company's accounting records in accordance with International Financial Reporting Standards (IAS/IFRS) as adopted by the European Union (EU) and considering the IAS 34 – 'Interim Financial Reporting'.

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

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

Until the date of approval of these financial statements there are no standards, interpretations, amendments and revisions approved (endorsed) by the European Union and that have mandatory application to financial years beginning on or after 1 January 2012 and were first adopted in the period ended at 30 June 2012.

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

Standard / Interpretation	Effective date (annual periods beginning on or after)
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 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

These standards, although approved (endorsed) by the European Union, were not adopted by the Company for the period ended at 30 June 2012, as the application of these standards is not yet mandatory. No significant impacts are expected to arise in the financial statements resulting from their adoption.

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

Standard / Interpretation	Effective date (annual periods beginning on or after)
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
Improvements to IFRS (2009-2011) The IASB finalise its annual improvements publication corresponding to the 2009-2011 cycle including six amendments to five IFRSs. The annual improvements process provides a mechanism for non urgent but necessary amendments to International Financial Reporting Standards (IFRSs) to be grouped together and issued in one package.	1-Jan-13

Standard / Interpretation	Effective date (annual periods beginning on or after)
Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12) The amendments clarify the transition guidance in IFRS 10 Consolidated Financial Statements and also provide additional transition relief in IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Furthermore, for disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before IFRS 12 is first applied.	1-Jan-13
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 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 30 June 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	3-8
Other tangible assets	3

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 30 June 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 30 June 2012, Sonaecom, SGPS, S.A., have reserves which by their nature could be considered distributable, in the amount of around Euro 147 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	
	30 June	Average	30 June	Average
Pounds Sterling	1.23946	1.21623	1.10797	1.15234
Swiss franc	0.83126	0.83003	0.82843	0.78834
Swedish krona	0.11399	0.11259	0.10900	0.11189
American Dollar	0.79428	0.77154	0.69190	0.71337

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 30 June 2012, two plans of Sonaecom share plans were covered through the detention of own shares. For 2011 plan, the Company will enter in hedging contract with an external entity in order to fix the shares' acquisition price. The impacts associated to the Medium Term Incentive Plans are registered, in the balance sheet, under the caption 'Medium Term Incentive Plans Reserve' for 2009 and 2010 plan and in "Other non-current Liabilities" for 2011 plan. The cost is recognized under the profit and loss statement caption 'Staff expenses'.

Regarding the plans liquidated through the delivery of shares of the parent company, the company entered, for two equity-settled plans, into hedging contracts with an external entity under which the acquisition price of those shares was fixed. Therefore, the responsibility associated to the uncovered plan is recorded at the fair price of the stocks and the covered plans are 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 30 June 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 30 June 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
Aditions	–	360	–	–	–	360
Balance at 30 June 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	20,722	3,657	–	9,112	–	33,491
Balance at 30 June 2012	465,458	36,839	171	271,394	104	773,966
Net value	255,707	9,846	–	62,363	–	327,916

						2011
	Buildings and other constructions	Plant and machinery	Tools	Fixtures and fittings	Other tangible assets	Total
Gross assets						
Balance at 31 December 2010	721,165	46,325	171	332,060	619	1,100,340
Disposals	–	–	–	–	(515)	(515)
Balance at 30 June 2011	721,165	46,325	171	332,060	104	1,099,825
Accumulated depreciation and impairment losses						
Balance at 31 December 2010	403,292	25,891	171	241,851	318	671,522
Depreciation for the period	20,722	3,648	–	10,756	54	35,179
Disposals	–	–	–	–	(268)	(268)
Balance at 30 June 2011	424,014	29,539	171	252,607	104	706,433
Net value	297,151	16,786	–	79,453	–	393,392

3. Intangible assets

The movement in intangible assets and in the corresponding accumulated amortisation and impairment losses in the periods ended at 30 June 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 30 June 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	512	242	–	754
Balance at 30 June 2012	8,828	182,983	–	191,811
Net value	891	640	–	1,531

				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
Aditions	–	376	(376)	–
Balance at 30 June 2011	9,719	183,623	–	193,342
Accumulated depreciation and impairment losses				
Balance at 31 December 2010	7,281	177,585	–	184,866
Depreciation for the period	523	2,558	–	3,081
Balance at 30 June 2011	7,804	180,143	–	187,947
Net value	1,915	3,480	–	5,395

4. Breakdown of financial instruments

At 30 June 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)	108,948,228	108,948,228	–	108,948,228
	108,948,228	108,948,228	–	108,948,228
Current assets				
Other trade debtors (note 8)	472,760,773	472,760,773	762,937	473,523,710
Cash and cash equivalents (note 9)	78,802,244	78,802,244	–	78,802,244
	551,563,017	551,563,017	762,937	552,325,954

				2011
	Loans and receivables	Subtotal	Others not covered by IFRS 7	Total
Non-current assets				
Other non-current assets (note 6)	587,249,652	587,249,652	–	587,249,652
	587,249,652	587,249,652	–	587,249,652
Current assets				
Other trade debtors (note 8)	13,478,732	13,478,732	2,105,601	15,584,333
Cash and cash equivalents (note 9)	21,736,335	21,736,335	–	21,736,335
	35,215,067	35,215,067	2,105,601	37,320,668

					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)	139,814,887	–	139,814,887	–	139,814,887
	139,814,887	–	139,814,887	–	139,814,887
Current liabilities					
Short-term loans and other loans (note 12)	304,673,797	–	304,673,797	–	304,673,797
Other creditors (note 14)	–	356,610	356,610	151,461	508,071
	304,673,797	356,610	305,030,407	151,461	305,181,868

					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)	369,529,212	–	369,529,212	–	369,529,212
	369,529,212	–	369,529,212	–	369,529,212
Current liabilities					
Short-term loans and other loans (note 12)	96,562,006	–	96,562,006	–	96,562,006
Other creditors (note 14)	–	1,571,080	1,571,080	2,548,473	4,119,553
	96,562,006	1,571,080	98,133,086	2,548,473	100,681,559

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

5. Investments in Group companies

At 30 June 2012 and 2011, this caption included the following investments in Group companies:

Company	2012	2011
Optimus - Comunicações, S.A. ('Optimus')	898,576,231	898,576,231
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
Miauger – Organização e Gestão de Leilões Electrónicos, S.A. ('Miauger')	4,568,100	4,568,100
Público - Comunicação Social, S.A. ('Público')	3,738,230	1,000,000
PCJ - Público, Comunicação e Jornalismo, S.A. ('PCJ')	3,551,771	50,000
Sonaecom - Serviços Partilhados, S.A. ('Sonaecom SP')	50,000	–
Be Artis – Concepção, Construção e Gestão de Redes de Comunicações, S.A. ('Be Artis')	–	8,230,885
Sontária - Empreendimentos Imobiliários, S.A. ('Sontária')	–	6,120,239
	1,170,045,808	1,178,106,931
Impairment losses (note 13)	(86,516,232)	(77,409,902)
Total investments in Group companies	1,083,529,576	1,100,697,029

The movements that occurred in investments in Group companies during the periods ended at 30 June 2012 and 2011 were as follows:

Company	Balance at 31 December 2011	Additions	Disposals	Transfers and write-offs	Balance at 30 June 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
Miauger	4,568,100	–	–	–	4,568,100
Público	494,495	3,243,735	–	–	3,738,230
PCJ	50,000	3,501,771	–	–	3,551,771
Sonaecom SP	–	50,000	–	–	50,000
Be Artis	8,230,885	14,943,304	(23,174,189)	–	–
Sontária	6,120,239	–	(6,120,239)	–	–
	1,163,250,302	6,795,506	-	–	1,170,045,808
Impairment losses (note 13)	(80,122,497)	–	–	(6,393,735)	(86,516,232)
	1,083,127,805	6,795,506	-	(6,393,735)	1,083,529,576

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

In the period ended at 30 June 2012, Sonaecom sold the entire share capital of its subsidiaries Be Artis and Sontária to Sonae Telecom, a company fully owned by Sonaecom. The participations were sold for the amount of Euro 456 million and Euro 9 million respectively, including share capital, loans and Supplementary capital (Note 6), generating a loss of circa Euro 360 thousand (note 16).

The amounts of Euro 14,943,304, Euro 3,243,735 and Euro 3,501,771 under the caption 'Additions' in Be Artis, Público and PCJ, relates to an increase of capital to cover losses.

The amount of Euro 50,000 under the caption 'Additions' at Sonaecom SP, relates to the constitution of Sonaecom Serviços Partilhados, S.A. in which the company owns 100%.

The variation in "impairment losses" is related to the transfer of Euro 6,393,735 from the caption "Other non-current assets" (note 6).

In the period ended at 30 June 2011, the amount of Euro 133,700,000 under the caption 'Additions' at Optimus relates to the acquisition of 10.6% of share capital of this subsidiary to Sonaecom BV. Now, the company holds 64.14% of Optimus share capital.

The amount of Euro 1,000,000, in the period ended at 30 June 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 30 June 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).

The Company presents separate consolidated financial statements at 30 June 2012, in accordance with International Financial Reporting Standards (IAS / IFRS) as adopted by the European Union, which presents total consolidated assets of Euro 1,925,483,993, total consolidated liabilities of Euro 878,597,331, consolidated operational revenues of Euro 411,910,236 and consolidated Shareholders' funds of Euro 1,046,886,662, including a consolidated net profit (attributable to the Shareholders of the parent company – Sonaecom, S.G.P.S., S.A.) for the year ended at 30 June 2012 of Euro 38,134,433.

At 30 June 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%	482,397,253	31,095,732	64.14%	468,231,325	19,029,453
Sonae Telecom	Maia	100%	173,948,332	26,146,571	100%	165,246,529	(5,505)
Sonae com SI	Maia	100%	61,577,023	35,714,336	100%	39,920,232	369,649
Miauger	Maia	100%	(3,170)	(30,536)	100%	962,755	(297,283)
Sonaetelecom BV	Amesterdam	100%	1,609,325	(3,302)	100%	1,665,924	1,421,483
Sonaecom BV	Amesterdam	100%	14,530,894	(133,027)	100%	14,448,923	952,675
PCJ	Maia	100%	9,825,942	287,714	100%	13,251,168	211,168
Público	Oporto	100%	(1,335,618)	(1,717,388)	100%	207,991	(1,573,514)
Sonaecom SP (a)	Maia	100%	49,968	(32)	–	–	–
Sontária (b)	Maia	–	–	–	100%	836,436	202,634
Be Artis (b)	Maia	–	–	–	100%	155,783,371	(11,478,277)

(a) Company established in January 2012
(b) Companies sold in June 2012

At 30 June 2012 and 2011, 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.

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 30 June 2012 and 2011, this caption was made up as follows:

	2012	2011
Financial assets		
Medium and long-term loans granted to Group companies:		
Sonae com SI	25,490,000	17,850,000
Optimus	22,850,000	–
Sonaecom BV	11,604,000	23,618,000
PCJ	4,865,000	5,000,000
Be Artis	–	317,090,000
Sonaetelecom BV	–	5,000,000
Sontária	–	2,676,637
Lugares Virtuais	–	1,170,000
	64,809,000	372,404,637
Supplementary capital:		
Sonae Telecom SGPS	38,630,000	38,630,000
PCJ	9,488,228	12,990,000
Miauger	1,105,000	800,000
Público	321,770	1,160,000
Be Artis	–	165,889,115
	49,544,998	219,469,115
	114,353,998	591,873,752
Accumulated impairment losses (note 13)	(5,405,770)	(4,624,100)
	108,948,228	587,249,652

During the periods ended at 30 June 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
Sonae com SI	19,700,000	5,790,000	–	25,490,000
Optimus	–	22,850,000	–	22,850,000
Sonaecom BV	21,785,000	–	(10,181,000)	11,604,000
PCJ	5,160,000	–	(295,000)	4,865,000
Be Artis	179,734,000	2,245,000	(181,979,000)	–
Sontária	2,676,637	584,000	(3,260,637)	–
Sonaetelecom BV	200,000	–	(200,000)	–
	229,255,637	31,469,000	(195,915,637)	64,809,000

				2011
Company	Opening balance	Increases	Decreases	Closing balance
Be Artis	175,720,000	141,370,000	–	317,090,000
Sonaecom BV	168,158,000	–	(144,540,000)	23,618,000
Sonae com SI	21,190,000	–	(3,340,000)	17,850,000
Sonaetelecom BV	18,141,000	–	(13,141,000)	5,000,000
PCJ	–	5,000,000	–	5,000,000
Sontária	2,676,637	–	–	2,676,637
Lugares Virtuais	1,170,000	–	–	1,170,000
Wedo Consulting	520,000	–	(520,000)	–
	387,575,637	146,370,000	(161,541,000)	372,404,637

During the periods ended at 30 June 2012 and 2011, the movements in 'Supplementary capital' were as follows:

				2012
Company	Opening balance	Increases	Decreases	Closing balance
Sonae Telecom SGPS	38,630,000	–	–	38,630,000
PCJ	12,990,000	–	(3,501,772)	9,488,228
Miauger	1,105,000	–	–	1,105,000
Público	3,565,505	–	(3,243,735)	321,770
Be Artis	265,889,115	–	(265,889,115)	–
	322,179,620	–	(272,634,622)	49,544,998

				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
PCJ	–	12,990,000	–	12,990,000
Público	–	19,000,000	(17,840,000)	1,160,000
Miauger	800,000	–	–	800,000
	205,319,115	31,990,000	(17,840,000)	219,469,115

The decreases of the loans in Be Artis and in Sontária, in the amount of Euro 182 million and Euro 3,3 million, are related to the sale of these companies to Sonae Telecom, as described in note 5. The sale also includes Euro 251 million of supplementary capital in Be Artis. Besides this movement, the decrease of supplementary capital in an amount of Euro 266 million, includes a repayment of Euro 14 million to Sonaecom.

During the periods ended at 30 June 2012 and 2011, the loans granted to Group companies earned interest at market rates with an average interest rate of 4.57% and 3.99%, respectively. Supplementary capital is non-interest bearing.

During the periods ended in June 2012 and 2011 the movements under the caption 'Accumulated impairment losses' were as follows:

				2012
Company	Opening balance	Increases	Transfers	Closing balance
Acumulated impairment losses (note 13)	(8,555,505)	(3,244,000)	6,393,735	(5,405,770)

				2011
Company	Opening balance	Increases	Transfers	Closing balance
Acumulated impairment losses (note 13)	(32,188,100)	(2,320,000)	29,884,000	(4,624,100)

The movement under the caption 'Accumulated impairment losses' results from the transfer in the amount of Euro 6,393,735 to the caption 'Investments in Group companies' (note 5), partially compensated by the increase done during the period of an amount of Euro 3,244,000 (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 30 June 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	16,869,788	(149,858)	16,719,930	4,177,735
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	–	10,005,009	10,005,009	2,651,327
2012	–	3,244,000	3,244,000	859,660
	71,433,392	93,263,589	164,696,981	42,573,199

The rate used at 30 June 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 30 Junho 2012 and 2011 is as follows:

	2012	2011
Earnings before tax	74,873,841	1,544,964
Income tax rate (25%)	(18,718,460)	(386,241)
Correction to previous year tax	31,402	(334,972)
Movements in provisions not accepted for tax purposes	(868,821)	(1,122,969)
Other taxes related with current income tax	(7,601)	(25,576)
Adjustments to the taxable income	19,587,281	-
Income taxation recorded in the period	23,801	(1,869,758)

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 30 June 2012.

8. Other current debtors

At 30 June 2012 and 2011, this caption was made up as follows:

	2012	2011
Trade debtors	472,776,257	13,480,662
State and other public entities	762,937	2,105,601
Accumulated impairment losses on accounts receivables (note 13)	(15,484)	(1,930)
	473,523,710	15,584,333

At 30 June 2012, the caption 'Other current debtors' included amounts to be received from Sonae Telecom S.G.P.S, S.A, related to the sale of the entire share capital of Be Artis – Concepção e Gestão de Redes de Comunicações S.A. and Sontária – Empreendimentos Imobiliários, S.A. (note 5), in the amount of Euro 465 million. At 30 June 2012 and 2011, the caption 'Other current debtors' also included amounts to be received from subsidiary Group companies, relating to interests receivable from subsidiaries on Shareholders' loans, interest on treasury applications and services rendered (note 18).

The caption 'State and other public entities', at 30 June 2012 and 2011, includes the special advanced payment, retentions and taxes to be recovered.

9. Cash and cash equivalents

At 30 June 2012 and 2011, the breakdown of cash and cash equivalents was as follows:

	2012	2011
Cash	10,579	10,519
Bank deposits repayable on demand	71,665	80,816
Treasury applications	78,720,000	21,645,000
	78,802,244	21,736,335
Bank overdrafts (note 12)	–	(2,112,779)
	78,802,244	19,623,556

At 30 June 2012 and 2011, the caption 'Treasury applications' had the following breakdown:

	2012	2011
Bank applications	17,295,000	15,000,000
Optimus	31,704,000	–
Be Artis	19,820,000	–
Wedo	3,846,000	5,925,000
Público	3,329,000	–
Be Towering	1,340,000	–
Lugares Virtuais	650,000	130,000
Mainroad	546,000	–
Sonaecom SI	110,000	–
PCJ	40,000	590,000
Sontária	40,000	–
	78,720,000	21,645,000

During the period ended at 30 June 2012, the above mentioned treasury applications bear interests at an average rate of 4.27% (3.88% in 2011).

10. Share capital

At 30 June 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%	194,063,119	52.99%
Shares traded on the Portuguese Stock Exchange ('Free float')	76,104,586	20.78%	76,737,177	20.95%
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	6,897,791	1.88%	9,045,200	2.47%
Sonae SGPS	3,430,000	0.94%	650,000	0.18%
Efanor Investimentos, S.G.P.S., S.A.	1,000	0.00%	1,000	0.00%
	366,246,868	100.00%	366,246,868	100.00%

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

11. Own shares

During the period ended at 30 June 2012, Sonaecom delivered to its employees 325,098 own shares under its Medium Term Incentive Plans.

Additionally, Sonaecom sold to its subsidiaries 3,477,010 shares (at an average price of Euro 1.171), under the Medium Term Incentive Plan of each company, and a loan in shares to some subsidiaries corresponding to 1,026,126 shares, based on a price of Euro 1.91.

During the period ended at 30 June 2012, the Company acquired 1,782,100 new shares (at an average price of Euro 1.221) and received from the subsidiaries, as a result of the mentioned loan, 898,725 shares, holding at the end of the period 6,897,791 own shares, representative of 1.88% of its share capital, with an average price of Euro 1.470.

12. Loans

At 30 June 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
'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	–	–	–	(2,223,289)	(1,545,828)
Interests incurred but not yet due	–	–	–	2,038,176	886,154
				139,814,887	219,340,326
Commercial paper	150,000,000	Jul-12	–	-	149,950,000
Interests incurred but not yet due	–	–	–	-	238,886
				-	150,188,886
				139,814,887	369,529,212

b) Short-term loans and other loans

Issue denomination	Limit	Maturity	Type of reimbursement	Amount outstanding 2012	2011
'Obrigações Sonaecom SGPS 2005'	150,000,000	Jun-13	Final	150,000,000	–
'Obrigações Sonaecom SGPS 2010'	30,000,000	Feb-13	Final	30,000,000	–
				180,000,000	–
Commercial paper	150,000,000	Jul-12	–	123,000,000	–
Commercial paper	15,000,000	Jun-12	–	-	12,000,000
Commercial paper	10,000,000	Nov-11	–	-	10,000,000
Interest incurred but not yet due	–	–	–	40,310	35,048
				123,040,310	22,035,048
Tresuary applications	–	–	–	1,633,487	66,264,179
Overdrafts facilities – CGD	–	–	–	-	6,150,000
Bank overdrafts	–	–	–	-	2,112,779
				304,673,797	96,562,006

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 3.37% (2.51% 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 30 million	May 2012	Caixa Geral de Depósitos	31-Jul-15
Euro 15 million	June 2010	Caixa Económica Montepio Geral	one year, possibly renewable
Euro 10 million*	November 2010	Banco Popular	one year, possibly renewable
Euro 5 million	April 2010	Banco BPI	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 30 June 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 30 June 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 30 June 2012 and 2011, the detail of 'Treasury applications' received from subsidiaries was as follows:

	2012	2011
Sonaetelecom BV	1,551,790	6,689,305
Saphety	27,136	130,757
Sonae Telecom	20,244	68
Digitmarket	19,475	4,561,176
Optimus	11,176	30,521,134
Mainroad	2,317	1,695,714
Miauger	777	974,661
Sonaecom SP	396	-
Wedo Consulting	176	30
Be Towering	-	12,335,286
Be Artis	-	8,663,548
Público	-	350,933
Sontária	-	250,858
Sonae com SI	-	90,351
Lugares Virtuais	-	358
	1,633,487	66,264,179

The treasury applications received from Group companies are payable in less than one year and earn interests at market rates. During the periods ended at 30 June 2012 and 2011, the treasury applications earned an average interest rate of 3.68% and 0.97%, respectively.

At 30 June 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):

	n+1	n+2	n+3	n+4	n+5
2012					
Bond loan					
Reimbursements	-	-	140,000,000	-	-
Interests	5,625,000	5,625,000	4,094,162	-	-
Commercial paper					
Reimbursements	-	-	-	-	-
Interests	-	-	-	-	-
	5,625,000	5,625,000	144,094,162	-	-
2011					
Bond loan					
Reimbursements	–	180,000,000	–	40,000,000	–
Interests	6,322,700	5,821,422	1,402,400	1,029,707	–
Commercial paper					
Reimbursements	–	149,950,000	–	–	–
Interests	2,344,000	199,079	–	–	–
	8,666,700	335,970,501	1,402,400	41,029,707	–

Although the maturity of commercial paper issuance is between one week and 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 30 June 2011.

At 30 June 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	123,000,000	27,000,000	x	
Commercial paper	30,000,000	-	30,000,000		x
Commercial paper	15,000,000	-	15,000,000	x	
Commercial paper	10,000,000	-	10,000,000	x	
Commercial paper	5,000,000	-	5,000,000	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	
	549,000,000	443,000,000	106,000,000		
2011					
Commercial paper	150,000,000	149,950,000	50,000		x
Commercial paper	30,000,000	-	30,000,000	x	
Commercial paper	15,000,000	12,000,000	3,000,000	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	6,150,000	10,350,000	x	
Authorised overdrafts	2,500,000	2,112,779	387,221	x	
	444,000,000	400,212,779	43,787,221		

At 30 June 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 30 June 2012 and 2011 were as follows:

	Opening balance	Increases	Transfers	Utilizations	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	–	6,393,735	–	86,516,232
Accumulates impairment losses on other non-current assets (notes 6 and 16)	8,555,505	3,244,000	(6,393,735)	–	5,405,770
Provisions for other liabilities and charges	68,654	2,280	–	–	70,934
	88,748,586	3,261,667	–	(1,833)	92,008,420
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 30 June 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 30 June 2012 and 2011, this caption was made up as follows:

	2012	2011
Other creditors	356,610	1,571,080
State and other public entities	151,461	2,548,473
	508,071	4,119,553

15. External supplies and services

At 30 June 2012 and 2011, this caption was made up as follows:

	2012	2011
Specialised work	834,631	898,626
Travel and accommodation	46,091	44,607
Rents and travelling expenses	44,939	44,747
Fees	224	66,422
Other external supplies and services	71,641	78,536
	997,526	1,132,938

16. Financial results

Net financial results for the periods ended 30 June 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)	(3,607,149)	(3,236,000)
Gains related to Group companies	78,877,861	–
	75,270,712	(3,236,000)
Other financial expenses		
Interest expenses:		
Bank loans	(1,370,007)	(1,683,177)
Other loans	(5,617,133)	(3,207,523)
Overdrafts and others	(48,478)	(99)
	(7,035,618)	(4,890,799)
Foreign currency exchange losses	(1,465)	(212)
Other financial expenses	(154,147)	(159,659)
	(155,612)	(159,871)
	(7,191,230)	(5,050,670)
Other financial income		
Interest income	7,143,693	10,326,274
Foreign currency exchange gains	–	2
	7,143,693	10,326,276

In 30 June 2012, the losses related to group companies include an amount Euros 363,149 related to the loss of the sale, to Sonae Telecom, of the entire capital of the share capital of Be Artis (note 5) and the increase of the impairment losses in other non-current assets (note 13), in the amount of Euro 3,244,000.

At 30 June 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 recognized during the periods ended at 30 June 2012 and 2011 were made up as follows ((costs) / gains):

	2012	2011
Current tax	26,081	(1,857,591)
Tax provision (note 13)	(2,280)	(12,167)
Closing balance	23,801	(1,869,758)

18. Related parties

The most significant balances and transactions with related parties (which are detailed in the appendix) at 30 June 2012 and 2011 were as follows:

					Balances at 30 June 2012
	Accounts receivable	Accounts payable	Treasury applications	Other assets and liabilities	Loans granted / (obtained)
Optimus	296,257	114,862	31,704,000	275,012	22,838,824
Artis	166,855	2,771	19,820,000	890,648	–
Sonae com SI	228,744	–	110,000	96,111	25,490,000
Sonaecom BV	684,057	–	–	60,110	11,604,000
Sonae Telecom SGPS	465,111,194	–	–	–	(20,244)
Be Towering	(592,997)	–	1,340,000	65,390	–
Público	(1,120,101)	–	3,329,000	30,338	–
Wedo	7,641,558	–	3,846,000	39,624	(176)
PCJ	163,559	–	40,000	18,385	4,865,000
Sonaetelecom BV	1,715	63,678	–	–	(1,551,790)
Others	31,285	143,082	1,236,000	(43,238)	(50,101)
	472,612,126	324,393	61,425,000	1,432,380	63,175,513

					Balances at 30 June 2011
	Accounts receivable	Accounts payable	Treasury applications	Other assets and liabilities	Loans granted / (obtained)
Optimus	377,682	133,188	–	348,824	(30,521,134)
Be Artis	3,548,047	1,709,735	–	1,116,968	308,426,452
Sonae com SI	262,957	137,509	–	42,507	17,759,649
Sonaecom BV	8,656,039	–	–	101,554	23,618,000
Sonae Telecom SGPS	–	18,665	–	–	(68)
Be Towering	9,181	–	–	–	(12,335,286)
Público	86,984	–	–	9,716	(350,932)
Wedo	95,233	(862,634)	5,925,000	63,803	(30)
PCJ	42,929	–	590,000	48,428	5,000,000
Sonaetelecom BV	105,050	–	–	17,596	(1,689,305)
Others	202,180	446,056	130,000	179,503	(3,766,887)
	13,386,281	1,582,518	6,645,000	1,928,898	306,140,459

				Transactions at 30 June 2012
	Sales and services rendered	Supplies and services received	Interest and similar income / (expense)	Supplementary income
Optimus	1,653,557	497,681	305,875	–
Be Artis	–	10,352	4,883,501	–
Be Towering	–	(25,331)	135,999	–
Wedo	77,430	–	47,749	–
Sonaecom BV	–	–	647,083	–
Others	195,871	234,879	809,596	–
	1,926,858	717,581	6,829,802	–

				Transactions at 30 June 2011
	Sales and services rendered	Supplies and services received	Interest and similar income / (expense)	Supplementary income
Optimus	1,729,866	594,201	1,438	87,359
Be Artis	–	(3,460)	6,421,166	(41)
Be Towering	–	(28,832)	(26,368)	–
Wedo	77,425	–	70,001	–
Sonaecom BV	–	–	2,708,401	–
Others	185,368	128,173	691,406	–
	1,992,659	690,082	9,866,044	87,318

All the above transactions were made at market prices.

In the period ended at 30 June 2012, besides these transactions, it was sold of the entire share capital of Be Artis and Sontária to Sonae Telecom SGPS (Note 5)

19. Guarantees provided to third parties

Guarantees provided to third parties at 30 June 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)	General supervision fiscal year 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 30 June 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 74,897,642 in 2012 and minus Euro 324,794 in 2011) by the average number of shares outstanding during the periods ended at 30 June 2012 and 2011, net of own shares (Euro 359,087,890 in 2012 and Euro 357,124,479 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 30 June 2012 can be summarized as follows:

		Vesting period		30 June 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	247,423
2010 Plan	1.399	10-Mar-11	10-Mar-14	3	257,457
2011 Plan	1.256	09-Mar-12	10-Mar-15	3	281,327
Sonae SGPS shares					
2008 Plan	0.526	10-Mar-09	09-Mar-12	–	–
2009 Plan	0.761	10-Mar-10	08-Mar-13	4	342,242
2010 Plan	0.811	10-Mar-11	10-Mar-14	3	282,926
2011 Plan	0.401	09-Mar-12	10-Mar-15	3	561,619

*Average share price in the month prior to the award date, for Sonaecom shares and the lower of the average share price for the month prior to the Annual General Meeting and the share price on the day after the Annual General Meeting, for Sonae SGPS shares.

During the period ended at 30 June 2012, the movements that occurred in the plans can be summarized 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	11	799,220	11	981,095
Total	11	799,220	11	981,095
Movements in year:				
Awarded	3	264,188	3	516,837
Vested	(4)	(325,098)	(4)	(405,776)
Cancelled / lapsed*	–	47,897	–	94,631
Outstanding at 30 June 2012:				
Unvested	10	786,207	10	1,186,787
Total	10	786,207	10	1,186,787

* 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 of 2009 and 2010, the responsibility was calculated taking into consideration the share price at the corresponding award date. For Sonaecom's share plan of 2011, the company will enter in hedging contract with an external entity and the responsibility will be calculated using the estimated price to be fixed on the contract. The responsibility for the plans of 2009 and 2010 was recorded under the heading 'Medium Term Incentive Plans Reserve' and the responsibility for the plan of 2011 was recorded under the heading 'Other non-current liabilities'. For the Sonae SGPS share plan, except for one of the plans, the Group entered into hedging contracts with external entities, and the responsibilities 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 30 June 2012, were as follows:

	Value
Costs recognised in previous years	5,285,497
Costs recognised in the period	365,618
Costs of plans vested in previous years	(4,062,646)
Costs of plans vested in the period	(771,223)
	817,246
Recorded in other current liabilities	224,397
Recorded in other non current liabilities	100,713
Recorded in reserves	492,136

These financial statements were approved by the Board of Directors on 20 July 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 30 June 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.	Sonae Telecom, S.G.P.S., S.A.
Be Towering – Gestão de Torres de Telecomunicações, S.A.	Sonaetelecom BV
Cape Technologies Limited	Sonaecom, S.G.P.S., S.A.
Connectiv Solutions, Inc.	Sontária - Empreendimentos Imobiliários, S.A.
Digitmarket – Sistemas de Informação, S.A.	SSI Angola, S.A.
Infosystems – Sociedade de Sistemas de Informação, S.A.	Tecnológica Telecomunicações LTDA.
Lugares Virtuais, S.A.	Unipress – Centro Gráfico, Lda
Mainroad – Serviços em Tecnologias de Informação, S.A.	WeDo Consulting – Sistemas de Informação, S.A.
Miauger – Organização e Gestão de Leilões Electrónicos., S.A.	WeDo Poland Sp. Z.o.o.
Optimus – Comunicações, S.A.	WeDo Technologies Americas, Inc.
PCJ - Público, Comunicação e Jornalismo, S.A.	WeDo Technologies Egypt LLC
Per-Mar – Sociedade de Construções, S.A.	WeDo Technologies Mexico, S de R.L.
Praesidium Services Limited	WeDo Technologies BV
Público – Comunicação Social, S.A.	WeDo Technologies Australia PTY Limited
Saphety Level – Trusted Services, S.A.	WeDo Technologies (UK) Limited
Sonaecom - Serviços Partilhados, S.A.	WeDo do Brasil – Soluções Informáticas, Ltda
Sociedade Independente de Radiodifusão Sonora, S.A.	WeDo Technologies BV – Sucursal Malaysia
Sonae com – Sistemas Informação, S.G.P.S., S.A.	WeDo Technologies Chile SpA.
Sonaecom – Sistemas de Información España, S.L.	We Do Technologies Panamá S.A.
Sonaecom BV	We Do Technologies Singapore PTE. LTD.

Sonae/Efanor Group Companies	
3DO Holding GmbH	Avenida M – 40, S.A.
3DO Shopping Centre GmbH	Azulino Imobiliária, S.A.
3shoppings – Holding,SGPS, S.A.	BA Business Angels, SGPS, SA
8ª Avenida Centro Comercial, SA	BA Capital, SGPS, SA
ADD Avaliações Engenharia de Avaliações e Perícias Ltda	BB Food Service, S.A.
ADDmakler Administração e Corretagem de Seguros Ltda	Beralands BV
ADDmakler Administradora, Corretora de Seguros Partic. Ltda	Bertimóvel – Sociedade Imobiliária, S.A.
Adlands B.V.	BHW Beeskow Holzwerkstoffe
Aegean Park, S.A.	Bloco Q – Sociedade Imobiliária, S.A.
Agepan Eiweiler Management GmbH	Bloco W – Sociedade Imobiliária, S.A.
Agepan Flooring Products, S.A.RL	Boavista Shopping Centre BV
Agloma Investimentos, Sgps, S.A.	BOM MOMENTO – Comércio Retalhista, SA
Agloma-Soc.Ind.Madeiras e Aglom., S.A.	Canasta – Empreendimentos Imobiliários, S.A.
Águas Furtadas Sociedade Agrícola, SA	Carnes do Continente – Ind.Distr.Carnes, S.A.
Airone – Shopping Center, Srl	Casa Agrícola de Ambrães, S.A.
ALBCC Albufeirashopping C.Comercial SA	Casa da Ribeira – Hotelaria e Turismo, S.A.
ALEXA Administration GmbH	Cascaishopping – Centro Comercial, S.A.
ALEXA Asset GmbH & Co KG	Cascaishopping Holding I, SGPS, S.A.
ALEXA Holding GmbH	CCCB Caldas da Rainha - Centro Comercial,SA
ALEXA Shopping Centre GmbH	Centro Colombo – Centro Comercial, S.A.
Algarveshopping – Centro Comercial, S.A.	Centro Residencial da Maia,Urban., S.A.
Alpêssego – Soc. Agrícola, S.A	Centro Vasco da Gama – Centro Comercial, S.A.
Andar – Sociedade Imobiliária, S.A.	Change, SGPS, S.A.
Aqualuz – Turismo e Lazer, Lda	Chão Verde – Soc.Gestora Imobiliária, S.A.
Arat inmebles, S.A.	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 UK Holdings Ltd
Continente Hipermercados, S.A.	Glunz Uka Gmbh
Contry Club da Maia-Imobiliaria, S.A.	GMET, ACE
Cooper Gay Swett & Crawford Lt	Golf Time – Golfe e Invest. Turísticos, S.A.
Craiova Mall BV	Guimarãeshopping – Centro Comercial, S.A.
Cronosaúde – Gestão Hospitalar, S.A.	Harvey Dos Iberica, S.L.
Cumulativa – Sociedade Imobiliária, S.A.	Herco Consultoria de Riscos e Corretora de Seguros Ltda
Darbo S.A.S	HighDome PCC Limited
Deutsche Industrieholz GmbH	Iberian Assets, S.A.
Discovery Sports, SA	Igimo – Sociedade Imobiliária, S.A.
Dortmund Tower GmbH	Iginha – Sociedade Imobiliária, S.A.
Dos Mares – Shopping Centre B.V.	Imoareia – Invest. Turísticos, SGPS, S.A.
Dos Mares – Shopping Centre, S.A.	Imobiliária da Cacela, S.A.
Ecociclo – Energia e Ambiente, S.A.	Imoclub – Serviços Imobilários, S.A.
Ecociclo II	Imoconti – Soc.Imobiliária, S.A.
Edições Book.it, S.A.	Imodivor – Sociedade Imobiliária, S.A.
Edificios Saudáveis Consultores, S.A.	Imoestrutura – Soc.Imobiliária, S.A.
Efanor Investimentos, SGPS, S.A.	Imoferro – Soc.Imobiliária, S.A.
Efanor Serviços de Apoio à Gestão, S.A.	Imohotel – Emp.Turist.Imobiliários, S.A.
El Rosal Shopping, S.A.	Imomuro – Sociedade Imobiliária, S.A.
Emfísico Boavista	Imopenínsula – Sociedade Imobiliária, S.A.
Empreend.Imob.Quinta da Azenha, S.A.	Imoplamac Gestão de Imóveis, S.A.
Equador & Mendes, Lda	Imoponte – Soc.Imobiliaria, S.A.
Espimaia – Sociedade Imobiliária, S.A.	Imoresort – Sociedade Imobiliária, S.A.
Estação Viana – Centro Comercial, S.A.	Imoresultado – Soc.Imobiliaria, S.A.
Estêvão Neves – Hipermercados Madeira, S.A.	Imosedas – Imobiliária e Seviços, S.A.
Euroresinas – Indústrias Quimicas, S.A.	Imosistema – Sociedade Imobiliária, S.A.
Farmácia Selecção, S.A.	Imosonae II
Fashion Division Canárias, SL	Impaper Europe GmbH & Co. KG
Fashion Division, S.A.	Implantação – Imobiliária, S.A.
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.	Invesaude - Gestão Hospitalar S.A.
Gaiashopping II – Centro Comercial, S.A.	Investalentejo, SGPS, 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
Glunz Service GmbH	Laminate Park GmbH Co. KG

Larim Corretora de Resseguros Ltda	Norteshopping – Centro Comercial, S.A.
Larissa Develop. Of Shopping Centers, S.A.	Norteshopping Retail and Leisure Centre, BV
Lazam – MDS Corretora e Administradora de Seguros, S.A.	Nova Equador Internacional,Ag.Viag.T, Ld
LCC LeiriaShopping Centro Comercial SA	Nova Equador P.C.O. e Eventos
Le Terrazze - Shopping Centre 1 Srl	Operscut – Operação e Manutenção de Auto-estradas, S.A.
Libra Serviços, Lda.	OSB Deustchland Gmbh
Lidergraf – Artes Gráficas, Lda.	PantheonPlaza BV
Loop5 Shopping Centre GmbH	Paracentro – Gest.de Galerias Com., S.A.
Loureshopping – Centro Comercial, S.A.	Pareuro, BV
Luz del Tajo – Centro Comercial S.A.	Park Avenue Develop. of Shop. Centers S.A.
Luz del Tajo B.V.	Parque Atlântico Shopping – C.C., S.A.
Madeirashopping – Centro Comercial, S.A.	Parque D. Pedro 1 B.V.
Maiashopping – Centro Comercial, S.A.	Parque D. Pedro 2 B.V.
Maiequipa – Gestão Florestal, S.A.	Parque de Famalicão – Empr. Imob., S.A.
Marcas do Mundo – Viag. e Turismo Unip, Lda	Parque Principado SL
Marcas MC, ZRT	Pátio Boavista Shopping Ltda.
Marina de Tróia S.A.	Pátio Campinas Shopping Ltda
Marinamagic – Expl.Cent.Lúdicos Marít, Lda	Pátio Goiânia Shopping Ltda
Marmagno – Expl.Hoteleira Imob., S.A.	Pátio Londrina Empreend. e Particip. Ltda
Martimope – Sociedade Imobiliária, S.A.	Pátio Penha Shopping Ltda.
Marvero – Expl.Hoteleira Imob., S.A.	Pátio São Bernardo Shopping Ltda
MDS Affinity - Sociedade de Mediação, Lda	Pátio Sertório Shopping Ltda
MDS Assoc. Corretora de Seguros Ltda	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 Holland, BV
Project Sierra Three Srl	Sierra Development Greece, S.A.
Project Sierra Two Srl	Sierra Developments Germany GmbH
Promessa Sociedade Imobiliária, S.A.	Sierra Developments Holding B.V.
Prosa – Produtos e serviços agrícolas, S.A.	Sierra Developments Italy S.r.l.
Puravida – Viagens e Turismo, S.A.	Sierra Developments Romania, Srl
Quorum Corretora de seguros LT	Sierra Developments Spain – Prom.C.Com.SL
Racionaliz. y Manufact.Florestales, S.A.	Sierra Developments, SGPS, S.A.
RASO - Viagens e Turismo, S.A.	Sierra Enplanta Ltda
RASO, SGPS, S.A.	Sierra European R.R.E. Assets Hold. B.V.
Rio Sul – Centro Comercial, S.A.	Sierra GP Limited
River Plaza Mall, Srl	Sierra Investimentos Brasil Ltda
River Plaza, BV	Sierra Investments (Holland) 1 B.V.

Sierra Investments (Holland) 2 B.V.	Sonae SGPS, S.A.
Sierra Investments Holding B.V.	Sonae Sierra Brasil S.A.
Sierra Investments SGPS, S.A.	Sonae Sierra Brazil B.V.
Sierra Italy Holding B.V.	Sonae Sierra, SGPS, S.A.
Sierra Management Germany GmbH	Sonae Tafibra Benelux, BV
Sierra Management Greece S.A.	Sonae Turismo – SGPS, S.A.
Sierra Management Italy S.r.l.	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.
Sierra Portugal, S.A.	Sontel BV
SII – Soberana Invest. Imobiliários, S.A.	Sontur BV
SIRS – Sociedade Independente de Radiodifusão Sonora, S.A.	Sonvecap BV
SISTAVAC, S.A.	Sopair, S.A.
SKK – Central de Distr., S.A.	Sotáqua – Soc. de Empreendimentos Turist
SKK SRL	Spanboard Products, Ltd
SKKFOR – Ser. For. e Desen. de Recursos	SPF – Sierra Portugal Real Estate, Sarl
Sociedade de Construções do Chile, S.A.	Spinarq - Engenharia, Energia e Ambiente, SA
Société de Tranchage Isoroy S.A.S.	Spinveste – Gestão Imobiliária SGII, S.A.
Socijofra – Sociedade Imobiliária, S.A.	Spinveste – Promoção Imobiliária, S.A.
Sociloures – Soc.Imobiliária, S.A.	Sport Retalho España – Servicios Gen., S.A.
Soconstrução BV	Sport Zone – Comércio Art.Desporto, S.A.
Sodesa, S.A.	Sport Zone – Turquia
Soflorin, BV	Sport Zone Canárias, SL
Soira – Soc.Imobiliária de Ramalde, S.A.	Sport Zone España-Com.Art.de Deporte,SA
Solinca - Eventos e Catering, SA	Spred, SGPS, SA
Solinca - Health and Fitness, SA	Stinnes Holz GmbH
Solinca – Investimentos Turísticos, S.A.	Tableros Tradema, S.L.
Solinfitness – Club Malaga, S.L.	Tafiber,Tableros de Fibras Ibéricas, SL
Solingen Shopping Center GmbH	Tafibra Polska Sp.z.o.o.
Soltroia – Imob.de Urb.Turismo de Tróia, S.A.	Tafibra South Africa
Somit Imobiliária	Tafibra Suisse, SA
SONAE - Specialized Retail, SGPS, SA	Tafisa – Tableros de Fibras, S.A.
Sonae Capital Brasil, Lda	Tafisa Canadá Societé en Commandite
Sonae Capital,SGPS, S.A.	Tafisa France, S.A.
Sonae Center II S.A.	Tafisa UK, Ltd
Sonae Center Serviços, S.A.	Taiber,Tableros Aglomerados Ibéricos, SL
Sonae Ind., Prod. e Com.Deriv.Madeira, S.A.	Tarkett Agepan Laminate Flooring SCS
Sonae Indústria – SGPS, S.A.	Tecmasa Reciclados de Andalucia, SL
Sonae Industria de Revestimentos, S.A.	Terra Nossa Corretora de Seguros Ltda
Sonae Indústria Manag. Serv, SA	Têxtil do Marco, S.A.
Sonae Investimentos, SGPS, SA	Tlantic Portugal – Sist. de Informação, S.A.
Sonae Novobord (PTY) Ltd	Tlantic Sistemas de Informação Ltdª
Sonae RE, S.A.	Todos os Dias – Com.Ret.Expl.C.Comer., S.A.
Sonae Retalho Espana – Servicios Gen., S.A.	Tool Gmbh

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.	
Vastgoed One – Sociedade Imobiliária, S.A.	
Vastgoed Sun – Sociedade Imobiliária, S.A.	
Via Catarina – Centro Comercial, S.A.	
Viajens y Turismo de Geotur España, S.L.	

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

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