



MANAGEMENT REPORT AND ACCOUNTS

1Q13



Note: The consolidated financial information contained in this report is based on Financial Statements not audited, 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 194.1 million euros
 EBITDA 61.6 million euros
 EBITDA-operating CAPEX 37.5 million euros
 Net results total 18.4 million euros
 Net debt to EBITDA ratio 1.4x

CEO message

"In the first quarter of 2013, fundamental steps were taken towards concluding the merger between Optimus and Zon: the elaboration and unanimous approval of the merger project by the respective Boards of Directors; the overwhelming approval at both Shareholders' General Meetings; the clearly positive approvals by ANACOM and ERC, and the issue, by CMVM, of a declaration exempting the launch of a mandatory tender offer. We are just waiting for approval from the Competition Authority to finally conclude the merger, which, I am certain, will open a new and promising period for our telecommunications business.

Despite the prevailing recession and the competitive limitations imposed by the merger process, our business activity remained in line with our best expectations. In particular, I would like to highlight the strong performance of WeDo and Optimus, which ensured the continued upward trend of our profitability."

Ângelo Paupério, CEO of Sonaecom

Our business

In 1Q13, Sonaecom's turnover benefited from the positive performance of SSI, which registered record service revenues that more than offset the declining product sales. This positive performance, coupled with the more optimised cost structure at Optimus, translated into an EBITDA growth of 2.2% y.o.y., to 61.6 million euros. Consistently, both net results, EBITDA-operating CAPEX and FCF (on a like-for-like basis), evolved positively in the quarter compared with the same period last year.

Optimus's operating profitability sustained its upward trend, growing 1.4% y.o.y., to 59.2 million euros, on the back of our efficiency initiatives. In particular, we would highlight Optimus's mobile EBITDA margin, which stood at 47.5%, up 5.4pp y.o.y..

At SSI, turnover grew almost 10% while its profitability margin improved 3.1pp, to 13.0%. WeDo Technologies sustained its growth path, with international revenues representing 80.9% of its turnover, a remarkable achievement that gives evidence of this company's worldwide expansion.

In 2013, we are expecting a challenging macroeconomic landscape with negative trends across all businesses of Optimus and some areas of SSI. However and despite the competitive constraints at Optimus, imposed by the pending regulatory approval of the merger with ZON, we expect to continue to mitigate the impacts of this negative context.

1. Consolidated results

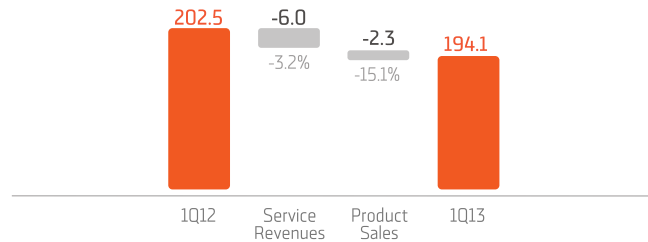
Turnover

Consolidated turnover in 1Q13 reached 194.1 million euros, 4.1% below 1Q12, backed by a decrease of 3.2% in service revenues and a decrease of 15.1% in product sales.

Optimus's top line was impacted by regulated tariffs (mobile termination rates - MTRs, and roaming in) and Portugal's austere economic

environment, which continued to have a negative impact on consumption levels. Excluding the effect of regulated tariffs, amounting to 4.4 million euros, consolidated turnover decreased 1.9% y.o.y..

At SSI, the very positive increase of 24.4% in service revenues more than offset Bizdirect's fall in product sales, affected by the macroeconomic environment. As such, SSI registered in 1Q13 its highest ever level of service revenues.



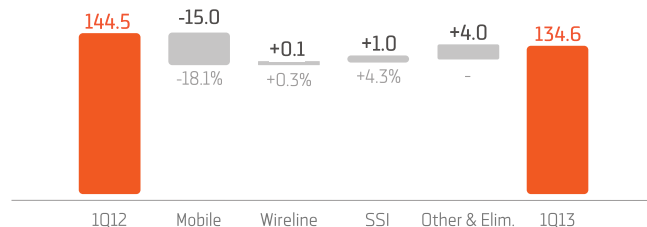
Operating costs

Operating costs reached 134.6 million euros, down 6.8% compared to 1Q12.

Sonaecom's operating costs benefited from the cross-business Optimus optimisation plan. As a result of several initiatives, Optimus has been able to reduce its major cost lines, while maximising resource efficiency and effectiveness.

Optimus's operating model continued to show relevant results in the 1Q13, with savings reaching more than 11 million euros, translating into a 9.3% costs decline compared to 1Q12.

Between 1Q12 and the 1Q13, operating costs as a percentage of turnover decreased 2.1pp, meaning that the consolidated top line trend was more than offset thanks to lower operating costs.

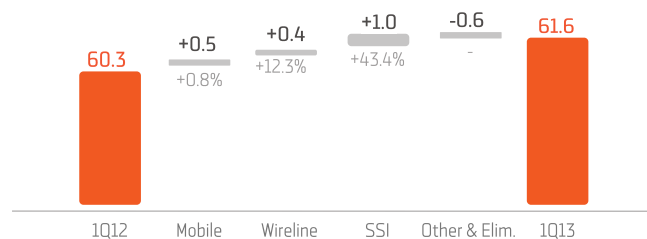


EBITDA

Following Sonaecom performance in terms of revenues and operating costs, EBITDA grew 2.2% in 1Q13, to 61.6 million euros.

Both Optimus and SSI registered a positive EBITDA performance, which takes on particular importance given the macroeconomic outlook.

The consolidated EBITDA margin increased 2.0pp, from 29.8% to 31.7%.



Net Profit

The net results group share reached 18.4 million euros, growing 8.5% compared to 1Q12, driven mostly by the improved EBITDA performance and the lower D&A. The evolution of net financial results was primarily impacted by the lower financial income in 1Q13 compared with the 1Q12.

The impact of taxes was positive, although to a lower degree, continuing to benefit from the recognition of deferred tax assets.

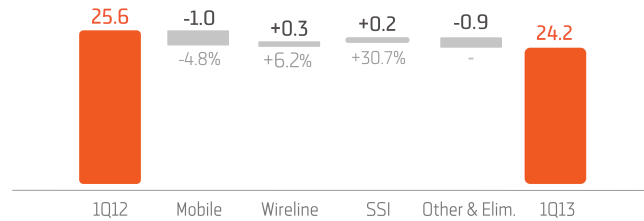


Operating CAPEX

Operating CAPEX decreased by 5.4% between 1Q12 and 1Q13. Following the 4G deployment in 2012, Optimus LTE network covers more than 80% of the Portuguese population. Also, it should be highlighted that Optimus has by far the widest 150Mbps coverage.

Accordingly, following this investment effort, CAPEX is now closer to more regular levels.

Due to the turnover performance, Operating CAPEX as a percentage of turnover decreased just 0.2pp to 12.5%.

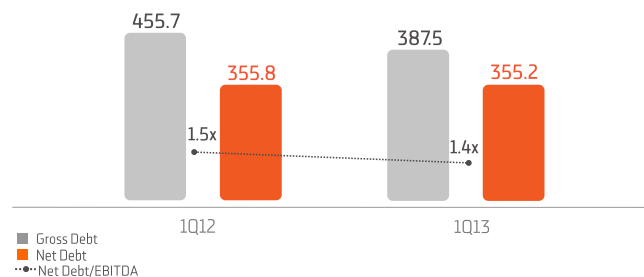


Capital structure

Consolidated net debt reached 355.2 million euros in 1Q13, which compares with 355.8 million euros in the 1Q12.

The net debt to EBITDA ratio decreased from 1.5x to 1.4x, driven mostly by the positive EBITDA performance between the two periods.

In 1Q13, total credit facilities amounted to 415 million euros while the all-in average cost of debt reached 3.11%.



Free cash flow (FCF)

FCF stood at negative 12.4 million euros in 1Q13, impacted by: (i) the outflow of 5.0 million euros relating to the securitisation operation; (ii) the 6.0 million euros spectrum payment in January 2013; (iii) an outflow of 11.9 million euros related to 2012 ICP-ANACOM regulatory fees (normally paid in the same year), and (iv) an outflow of 1.0 million euros due to a deferred payment regarding the acquisition of Connectiv Solutions.

Excluding these impacts, 1Q13 FCF amounted to 11.5 million euros, an increase of 11.7% compared to the 10.3 million euros achieved in 1Q12 in comparable terms (excluding the spectrum payment and the securitisation outflow).

2. Optimus

Post-paid customers base grows versus 1Q12 (excluding e-initiatives customers)

Optimus EBITDA reaches 59.2 million euros, up by 1.4% y.o.y

Optimus mobile EBITDA margin reaches 47.5% in 1Q13

Optimus mobile EBITDA–operating CAPEX increases 4.0% y.o.y.

2.1. Optimus mobile business

In a context of increasingly difficult market conditions, we continued to meet our strategic goals in areas such as 4G, brand image, mobile data, convergence, innovation and customer experience.

Following a significant period of investment, we now offer the best experience of access and mobility to our customers, adapting our products and services to the needs of the market. Our results give evidence of the targets we have met. During the 1Q13, the penetration of 4G clients has doubled compared to 4Q12, growing both in the personal and the enterprise segment. Also, at the end of 1Q13, 4G already represented 10% of smartphone traffic and 20% of Kanguru's total traffic.

Smartphone penetration continued its upward trend, rising 5.8pp between 1Q12 and 1Q13.

2.1.1. Operational data

MOBILE OPERATIONAL KPI's	1Q12	1Q13	Δ 13/12	4Q12	q.o.q.
Customers (EOP) ('000)	3,609.9	3,507.1	-2.8%	3,568.6	-1.7%
Pre-paid Customers ('000)	2,398.5	2,328.4	-2.9%	2,379.5	-2.2%
Post-paid Customers ('000)	1,211.3	1,178.7	-2.7%	1,189.1	-0.9%
Net Additions ('000)	-29.5	-61.6	-108.7%	2.33	-
Data as % Service Revenues	31.3%	31.0%	-0.3pp	31.6%	-0.6pp
Non SMS Data as % Data Revenues	76.4%	79.2%	2.7pp	75.9%	3.2pp
Total #SMS/month/user	40.6	39.2	-3.5%	42.2	-7.2%
MOU ⁽¹⁾ (min.)	122.2	120.7	-1.2%	124.5	-3.1%
ARPU ⁽²⁾ (euros)	12.0	11.0	-8.6%	11.4	-3.5%
Customer Monthly Bill	10.6	10.1	-4.8%	10.3	-1.7%
Interconnection	1.4	0.9	-36.8%	1.1	-19.9%
ARPM ⁽³⁾ (euros)	0.10	0.09	-7.5%	0.09	-0.5%

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

Customer base

Optimus's mobile customer base stood at 3.51 million, down 2.8% y.o.y.. This reduction was driven by the expected erosion of the e-initiatives programme's customer base and the impact of Portugal's austerity measures, primarily in the personal segment.

Nonetheless, Optimus is making progress in some significant areas of its strategy. The penetration of 4G clients is growing considerably, both in the personal and the enterprise segment. Moreover, the take up of Optimus's 'Smart' unlimited plan, launched at the beginning of January 2013, is increasing significantly, accounting for almost 10% of personal's post-paid clients at the end of the quarter.

All in all, the post-paid customer base reached 1.18 million, down 2.7% y.o.y., driven entirely by the expected erosion of the e-initiatives programme's customer base. This fall aside, our post-paid customer base increased between 1Q12 and 1Q13.

In 1Q13, both minutes of use (MOU) and the SMS/month/customer rate decreased by 1.2% and 3.5% y.o.y. respectively, contrasting with increasing data usage through smartphones.

Average revenue per user (ARPU) among mobile customers stood at 11.0 euros in the 1Q13. The fall registered during the year came on the back of lower interconnection revenues, which decreased from 1.4 euros to 0.9 euros, and lower monthly customer bills, which decreased from 10.6 euros to 10.1 euros.

Data services and mobile broadband

Data revenues represented 31.0% of service revenues in 1Q13, 0.3pp down on 1Q12. However, the impact of the end of the e-initiatives programme on Optimus's data revenues was compensated by the increase of smartphone penetration, which rose 5.8pp. Importantly, the weight of non-SMS related data increased 2.7pp, reaching 79.2% in 1Q13.

During 1Q13, Optimus continued to boost data usage with its wide offer of smartphones and mobile broadband. According to ICP-ANACOM's last available data, Optimus had at the end of 4Q12 a 44.4% market share of data traffic, more than 10pp ahead of its closest competitor.

2.1.2. Financial data

Million euros					
MOBILE INCOME STATEMENT	1Q12	1Q13	Δ 13/12	4Q12	q.o.q.
Turnover	131.5	117.6	-10.6%	128.6	-8.5%
Service Revenues	127.0	113.6	-10.5%	118.3	-4.0%
Customer Revenues	111.9	104.2	-6.8%	106.6	-2.2%
Operator Revenues	15.1	9.4	-38.1%	11.7	-20.3%
Equipment Sales	4.5	4.0	-11.4%	10.2	-61.1%
Other Revenues	6.8	6.2	-9.4%	7.1	-13.6%
Operating Costs	82.9	67.9	-18.1%	84.6	-19.7%
Personnel Costs	12.0	10.6	-11.9%	11.2	-5.6%
Direct Servicing Costs ⁽¹⁾	29.5	23.1	-21.7%	25.7	-10.0%
Commercial Costs ⁽²⁾	13.6	9.7	-28.9%	22.6	-57.3%
Other Operating Costs ⁽³⁾	27.8	24.6	-11.6%	25.1	-2.2%
EBITDA	55.4	55.8	0.8%	51.1	9.3%
EBITDA Margin (%)	42.1%	47.5%	5.4pp	39.7%	7.7pp
Operating CAPEX ⁽⁴⁾	19.8	18.9	-4.8%	24.6	-23.2%
Operating CAPEX as % of Turnover	15.1%	16.0%	1.0pp	19.1%	-3.1pp
EBITDA - Operating CAPEX	35.5	37.0	4.0%	26.5	39.4%
Total CAPEX	19.8	18.9	-4.8%	24.6	-23.2%

(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 10.6% in 1Q13 to 117.6 million euros, due to a decrease of 10.5% in service revenues and a decrease of 11.4% in equipment sales. The decline in service revenues was due to a combination of lower customer revenues and lower operator revenues. Following a trend that started during 2012, customer revenues decreased 6.8% y.o.y., to 104.2 million euros. However, it should be noted that the decreasing rate stabilised in 1Q13 compared to previous quarters. The customer revenues evolution was primarily due to the end of the government's e-initiatives programme and the negative impact of austerity measures on consumption levels, mostly in the personal segment, and the consequent impact on monthly bills.

During the same period, operator revenues decreased 38.1% to 9.4 million euros, mostly driven by the lower MTRs.

Operating costs

Mobile operating costs decreased 18.1% y.o.y., to 67.9 million euros mainly driven by a 21.7% decrease in direct servicing costs, principally due to lower interconnection costs, impacted by lower MTRs and also due to a lower level of leased lines and network-related costs, as Optimus continues to reduce its dependency on rented infrastructure. Commercial costs decreased 28.9% due to a combination of lower advertising costs and lower costs of goods sold (as a result of lower equipment sales and a lower level of handset subsidisation). Other operating costs decreased 11.6%, driven primarily by lower general and administrative costs.

EBITDA

Mobile EBITDA increased 0.8% y.o.y. to 55.8 million euros, driven entirely by operating costs decreases, which more than offset the negative top line evolution. Against the market trend, the EBITDA margin reached 47.5% in 1Q13, which compares with 42.1% in the 1Q12, an increase of 5.4pp. This trend continues to place Optimus as a benchmark among mobile operators.

EBITDA-operating CAPEX

Driven by the higher level of EBITDA and lower operating CAPEX, mobile EBITDA-operating CAPEX increased 4.0% y.o.y to 37.0 million euros.

2.2. Optimus Wireline business

2.2.1. Operational data

WIREDLINE OPERATIONAL KPI's	1Q12	1Q13	Δ 13/12	4Q12	q.o.q.
Total Accesses	363,965	330,019	-9.3%	334,939	-1.5%
Corporate and SMEs	155,246	157,585	1.5%	158,472	-0.6%
PTSN/RDIS	111,136	113,914	2.5%	114,798	-0.8%
Broadband	33,545	30,487	-9.1%	30,998	-1.6%
Other & Data	10,565	13,184	24.8%	12,676	4.0%
Residential	208,719	172,434	-17.4%	176,467	-2.3%
PTSN/RDIS	94,059	69,646	-26.0%	72,505	-3.9%
Broadband	78,017	65,942	-15.5%	67,542	-2.4%
TV	36,643	36,846	0.6%	36,420	1.2%
Average Revenue per Access - Retail	23.0	22.0	-4.4%	22.3	-1.2%

Customer base

Despite the impact of the prevailing harsh macroeconomic conditions during 1Q13, which put some pressure on the corporate and SMEs segment, Optimus increased the number of accesses between 1Q12 and 1Q13 to 158 thousand.

As an increasing number of companies are fulfilling their broadband needs using the growing bandwidth delivered by mobile technology, particularly 4G, the number of Corporate and SMEs services decreased 9.1% between 1Q12 and 1Q13, explained by fixed to mobile substitution.

The number of total accesses decreased 9.3% y.o.y. to 330 thousand accesses, entirely driven by a decrease of 17.4% in the Residential segment.

2.2.2. Financial data

Million euros

WIRELINE INCOME STATEMENT	1Q12	1Q13	Δ 13/12	4Q12	q.o.q.
Turnover	53.4	53.9	0.9%	60.9	-11.5%
Service Revenues	52.4	52.6	0.4%	59.4	-11.4%
Customer Revenues	24.0	20.2	-15.6%	21.2	-4.4%
Operator Revenues	28.4	32.4	13.9%	38.2	-15.3%
Equipment Sales	1.0	1.3	28.2%	1.5	-14.6%
Other Revenues	0.2	0.2	18.8%	0.5	-56.9%
Operating Costs	50.5	50.6	0.3%	57.7	-12.2%
Personnel Costs	1.0	0.9	-8.6%	0.9	-0.3%
Direct Servicing Costs ⁽¹⁾	37.3	38.8	4.2%	44.2	-12.2%
Commercial Costs ⁽²⁾	3.6	3.5	-3.3%	3.2	8.6%
Other Operating Costs ⁽³⁾	8.7	7.4	-14.2%	9.3	-20.3%
EBITDA	3.1	3.4	12.3%	3.7	-7.2%
EBITDA Margin (%)	5.7%	6.4%	0.6pp	6.1%	0.3pp
Operating CAPEX ⁽⁴⁾	4.3	4.5	6.2%	4.7	-4.7%
Operating CAPEX as % of Turnover	8.0%	8.4%	0.4pp	7.8%	0.6pp
EBITDA - Operating CAPEX	-1.2	-1.1	9.4%	-1.0	-4.3%
Total CAPEX	4.3	4.5	6.2%	4.7	-4.7%

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

Turnover

Wireline turnover increased 0.9% y.o.y., to 53.9 million euros, driven almost entirely by an increase of 13.9% in operator revenues, which registered the second best quarter ever. After a y.o.y. growth in 2012, this was, again, due to a rise in traffic levels, despite the decrease in wholesale traffic prices. Albeit with a very residual impact, equipment sales also contributed to the upward turnover trend, increasing 28.2% between 1Q12 and 1Q13 to 1.3 million euros. Once more, wireline revenues have shown a positive yearly performance, with growth from the Wholesale and Business segments totally offsetting the negative residential trend.

Operating costs

Operating costs were stable between 1Q12 and 1Q13. Commercial costs decreased 3.3%, on the back of lower marketing and sales costs. Other operating costs decreased 14.2% due to lower G&A and outsourcing costs. As for direct servicing costs, the 4.2% increase is linked to the positive performance in operator revenues.

EBITDA

Wireline EBITDA increased 12.3% y.o.y., reaching 3.4 million euros. The EBITDA margin increased from 5.7% to 6.4%, growing 0.6pp y.o.y. despite the increased weight of operator revenues.

EBITDA-operating CAPEX

Despite the higher operating CAPEX, EBITDA-operating CAPEX increased 9.4% y.o.y., to negative 1.1 million euros, totally driven by the improved EBITDA.

3. Software and Information Systems

WeDo Technologies continued to expand its international footprint while focusing on the acquisition of new projects in the business assurance market. The company, which has more than 180 clients in 80 countries, ended 1Q13 with international revenues representing 80.9% of its turnover, growing 60.1% compared to 1Q12.

Following the acquisition in the US, WeDo is benefiting from a greater focus and expertise in Managed Services and SaaS, now with a deep knowledge and strong presence in the US market.

The growing profitability of the company gives WeDo Technologies reinforced support that will allow it to further strengthen its position as the global leader in the business assurance sector.

Specialising in IT management, security and business continuity, Mainroad successfully increased its operating profitability 2.7% between 1Q12 and 1Q13, despite the challenging market conditions.

Saphety strengthened its position as a key player in providing solutions for simplifying and automating processes to the domestic market. Currently, international strategy is a major focus for the company, having created SaphetyBrasil, at the beginning of 2013, while closing the quarter with international revenues representing 13% of total turnover.

Bizdirect's turnover declined in the 1Q13 due to the macroeconomic conditions. However, the company is broadening its portfolio, strengthening its position in IT solutions, which it enhanced with the acquisition of assets and competencies in the integration of Microsoft solutions. It remains important to note that in 1Q13, international revenues already represented 25.8% of Bizdirect's turnover.

3.1. Operational data

SSI OPERATIONAL KPI's	1Q12	1Q13	Δ 13/12	4Q12	q.o.q.
IT Service Revenues/Employee ⁽¹⁾ ('000 euros)	33.0	35.9	8.7%	35.8	0.4%
Equipment Sales as % Turnover	26.3%	16.3%	-10.1pp	18.8%	-2.5pp
Equipment Sales/Employee ⁽²⁾ ('000 euros)	303.9	139.3	-54.2%	162.7	-14.4%
EBITDA/Employee ('000 euros)	4.3	5.3	24.0%	7.5	-29.4%
Employees	561	649	15.7%	641	1.2%

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

IT service revenues per employee reached 35.9 thousand euros in 1Q13, 8.7% above the same period of 2012, with the growth in service revenues more than compensating for the 15.7% increase in headcount. Equipment sales as percentage of turnover decreased y.o.y. from 26.3% to 16.3%, driven by Bizdirect's equipment sales.

3.2. Financial data

Million euros

SSI CONSOLIDATED INCOME STATEMENT	1Q12	1Q13	Δ 13/12	4Q12	q.o.q.
Turnover	24.2	26.5	9.4%	26.9	-1.3%
Service Revenues	17.8	22.2	24.4%	21.8	1.7%
Equipment Sales	6.4	4.3	-32.3%	5.0	-14.4%
Other Revenues	0.5	0.3	-52.7%	0.7	-62.6%
Operating Costs	22.4	23.3	4.3%	22.7	2.7%
Personnel Costs	7.1	8.9	25.5%	6.9	29.8%
Commercial Costs ⁽¹⁾	6.5	4.5	-30.4%	5.1	-11.7%
Other Operating Costs ⁽²⁾	8.7	9.8	13.0%	10.7	-7.8%
EBITDA	2.4	3.5	43.4%	4.8	-28.6%
EBITDA Margin (%)	9.9%	13.0%	3.1pp	18.0%	-5.0pp
Operating CAPEX ⁽³⁾	0.8	1.0	30.7%	3.2	-68.8%
Operating CAPEX as % of Turnover	3.2%	3.8%	0.6pp	11.9%	-8.2pp
EBITDA - Operating CAPEX	1.6	2.4	49.4%	1.6	50.9%
Total CAPEX	0.8	1.4	84.9%	3.2	-55.8%

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

Turnover

SSI turnover increased significantly between 1Q12 and 1Q13, to 26.5 million euros, a growth of 9.4% y.o.y., with service revenues performance strongly compensating for the drop in equipment sales. It should be noted that SSI's service revenues registered a record level in 1Q13, growing 24.4% y.o.y.. The equipment sales fall at Bizdirect is solely due the negative impact of the macroeconomic environment in this sector, as the e-initiatives programme was suspended by the Portuguese government before 1Q12.

Service revenues's positive evolution was also due to the positive impact of the Connectiv Solutions acquisition, as since 1 May 2012 the company's results have been consolidated into SSI's accounts. Excluding the effect of Connectiv Solutions' results consolidation, SSI service revenues amounted to 20.7 million euros, growing 16.3% y.o.y..

Operating costs

SSI operating costs increased 4.3% in 1Q13 to 23.3 million euros, driven by personnel costs and other operating costs. Personnel costs increased 25.5%, mainly as a result of WeDo Technologies' growth and the integration of Connectiv Solutions' headcount. The 30.4% decrease in the level of commercial costs is a direct result of the lower cost of goods sold at Bizdirect, which have decreased by almost 36% y.o.y.. The increase in other operating costs relates mainly to higher outsourcing costs, aimed at supporting the increased level of activity across all SSI companies.

EBITDA

EBITDA reached 3.5 million euros in the 1Q13, increasing 43.4% against 1Q12. This was driven exclusively by higher service revenues, which more than offset the increase in operating costs. The EBITDA margin increased from 9.9% to 13.0%, up by 3.1pp.

The mix of revenues at SSI and the improved scale of our companies have been driving a consistent double digit EBITDA margin.

EBITDA-operating CAPEX

Despite the higher operating CAPEX, SSI EBITDA-operating CAPEX increased 49.4% y.o.y., to 2.4 million euros, totally driven by the very improved EBITDA.

4. Online & Media

During the 1Q13, the online revenues showed a positive evolution, although not able to offset the falling revenues from advertising and offline circulation.

However, due to the online expansion, coupled with the restructuring plan implemented since October 2012, the operating profitability of Público improved from negative 0.8 million euros to a still negative 0.5 million euros.

5. Main regulatory developments in 1Q13

Universal Service

On 13 March 2013, Optimus presented a proposal for the tender to designate the Universal Service provider in the provision of access at a fixed location.

Optimus' proposal covers the three regions included in the contest, altogether covering the entire national territory.

Besides Optimus, both PTC and Zon presented proposals for the majority of the national territory.

Optimus presented the lowest price for the north and central regions, while Zon presented the lowest price for the south and islands region.

The criterion for the selection of winning proposals is solely the cost (price) of the Universal Service. The announcement, by ICP-ANACOM, of the winning proposals was not defined yet.

Fixed Termination Rates

ICP-ANACOM published a draft decision on its analysis of wholesale market of fixed termination rates, presenting revised prices. The regulator proposal considers a significant reduction amounting to 80% to 90% when compared with prevailing tariffs, both for the incumbent and for the alternative operators.

6. Main corporate developments in 1Q13

Approval of the merger project between Optimus and ZON

On 21 January 2013, Optimus - SGPS, S.A. and Zon Multimédia – Serviços de Telecomunicações e Multimédia, SGPS, S.A. announced that the Boards of Directors of both companies unanimously approved the merger project involving the incorporation of Optimus into Zon, and pursuant to which all the assets and liabilities of Optimus will be globally transferred to Zon.

The merger project is based on an exchange ratio that grants Zon a value corresponding to 1.5 times the value of Optimus, aligned with the recommendation provided by Sonaecom and Eng. Isabel dos Santos, on 14 December 2012.

Pursuant to the merger, Zon will increase its share capital and, as a consequence, issue and grant to the shareholders of Optimus new shares representing 40% of the share capital of Zon resulting from the aforementioned increase.

Accordingly, Sonaecom, as the single shareholder of the merged company will receive 1.791866 shares of the merging company for each share representing the current registered capital of Optimus.

By virtue of the present merger transaction, Zon will adopt 'ZON OPTIMUS, SGPS, S.A.' as its corporate name, or any other to be approved by the National Register of Legal Entities.

The merger will result in a Group capable of investing in and promoting its own and the sector's competitiveness, and of creating greater shareholder value and new opportunities for employees, clients and suppliers. It will create a new Group with a sustainable strategy for growth, international expansion and optimised management in which the sharing of experience and expertise between the teams will play a decisive role.

Therefore, the Boards of Directors of the two companies consider this merger to be a logical and essential step towards the development of a common growth platform upon which to leverage and maximise the significant potential of both companies.

Agreement between Sonae SGPS, S.A. and France Telecom

On 15 February 2013, Sonae SGPS, S.A. and France Telecom have announced the execution of an agreement whereby, respectively, a call and put option was granted over the 20% stake in Sonaecom's share capital presently held by a subsidiary of FT-Orange.

Sonae's call option may be exercised during the 18 months after the closing of the agreement and FT-Orange's put option within the 3 months subsequent to the end of such 18 months' period. The price for the exercise of both options is of 98.9 million euros, which may be increased up to 113.5 million euros in case Sonaecom or Optimus participate in any material transaction of consolidation or restructuring of the telecommunications sector in Portugal which is announced within a 24 months' period.

This agreement is subject to the condition that the Portuguese Securities Commission (CMVM) confirms that no concerted exercise of influence results from this agreement and that the shares held by Sonae are not attributable to FT-Orange.

Approval of the merger project at the Optimus extraordinary shareholder meeting

On 7 march 2013, Sonaecom informed, on behalf of its affiliated company Optimus, that it was approved at the extraordinary shareholder meeting the merger project by incorporation between Optimus SGPS, S.A. and Zon Multimédia – Serviços de Telecomunicações e Multimédia, SGPS, S.A. and respective schedules, dated 21 January 2013.

The implementation of the merger is conditional upon the prior fulfillment of the non-opposition from the Competition Authority to the merger, in accordance with the terms of the Merger Project and the fulfillment of the remaining administrative and corporate formalities applicable or necessary to the completion of the merger, in accordance with the law and the terms laid down in the Merger Project.

Dividends for 2012

On 8 march 2013, Sonaecom announced Board of Directors' intention to submit for shareholders' approval at the next shareholders general meeting the distribution of a gross dividend of 12 cents per share, continuing, for the third consecutive year, the practice of shareholder remuneration.

7. Subsequent events

CMVM resolution

On 18 April 2013, CMVM, the Portuguese Securities and Exchange Commission, informed ZOPT, SGPS, S.A., on the resolution of waiving the obligation to launch a mandatory takeover bid on ZON Multimédia – Serviços de Telecomunicações e Multimédia, SGPS, S.A..

Annual General Meeting

On 24 April 2013, 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 2012, 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 2012, which includes (among others) that each share issued will be paid the gross amount of 0.12 euros;
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 2012;
4. To approve the Remuneration Policy adopted for the members of the Statutory Governing Bodies and for Persons Discharging Managerial Responsibilities ("Dirigentes"), as well as Sonaecom's shares attribution plan;
5. 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;
6. 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.

8. Other Indicators

8.1. Sonaecom consolidated income statement

Million euros

CONSOLIDATED INCOME STATEMENT	1Q12	1Q13	Δ 13/12	4Q12	q.o.q.
Turnover	202.5	194.1	-4.1%	208.5	-6.9%
Mobile	131.5	117.6	-10.6%	128.6	-8.5%
Wireline	53.4	53.9	0.9%	60.9	-11.5%
SSI	24.2	26.5	9.4%	26.9	-1.3%
Other & Eliminations	-6.6	-3.8	42.3%	-7.9	51.1%
Other Revenues	2.3	2.1	-11.0%	2.5	-17.6%
Operating Costs	144.5	134.6	-6.8%	156.0	-13.8%
Personnel Costs	22.0	22.6	2.5%	24.3	-7.0%
Direct Servicing Costs ⁽¹⁾	58.7	56.9	-3.1%	63.0	-9.7%
Commercial Costs ⁽²⁾	25.6	19.6	-23.2%	31.3	-37.2%
Other Operating Costs ⁽³⁾	38.2	35.5	-7.0%	37.5	-5.3%
EBITDA	60.3	61.6	2.2%	54.9	12.2%
EBITDA Margin (%)	29.8%	31.7%	2.0pp	26.4%	5.4pp
Mobile	55.4	55.8	0.8%	51.1	9.3%
Wireline	3.1	3.4	12.3%	3.7	-7.2%
SSI	2.4	3.5	43.4%	4.8	-28.6%
Other & Eliminations	-0.5	-1.1	-113.3%	-4.7	76.8%
Depreciation & Amortization	36.8	36.1	-1.8%	42.6	-15.3%
EBIT	23.5	25.5	8.4%	12.3	107.7%
Net Financial Results	-2.3	-3.0	-31.4%	-4.7	35.8%
Financial Income	2.2	1.5	-30.2%	1.7	-9.3%
Financial Expenses	4.5	4.5	1.7%	6.4	-28.9%
EBT	21.2	22.5	5.9%	7.6	197.3%
Tax results	-4.3	-4.0	4.9%	4.0	-
Net Results	17.0	18.4	8.7%	11.5	60.0%
Group Share	17.0	18.4	8.5%	11.5	60.0%
Attributable to Non-Controlling Interests	0.0	0.0	-	0.0	102.4%

(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.

8.2. Sonaecom consolidated balance sheet

Million euros					
CONSOLIDATED BALANCE SHEET	1Q12	1Q13	Δ 13/12	4Q12	q.o.q.
Total Net Assets	1,898.9	1861.4	-2.0%	1,900.9	-2.1%
Non Current Assets	1,582.0	1,569.2	-0.8%	1,584.4	-1.0%
Tangible and Intangible Assets	961.1	950.0	-1.1%	962.3	-1.3%
Goodwill	521.1	518.9	-0.4%	518.3	0.1%
Investments	0.2	0.2	-0.2%	0.2	1.5%
Deferred Tax Assets	99.3	98.1	-1.2%	101.1	-3.0%
Others	0.3	2.0	-	2.4	-17.8%
Current Assets	316.9	292.2	-7.8%	316.5	-7.7%
Trade Debtors	107.4	139.3	29.7%	148.0	-5.9%
Liquidity	99.9	32.3	-67.7%	62.4	-48.3%
Others	109.6	120.6	10.0%	106.1	13.7%
Shareholders' Funds	1,052.8	1,101.2	4.6%	1,083.2	1.7%
Group Share	1,052.4	1,100.8	4.6%	1,082.9	1.7%
Non-Controlling Interests	0.4	0.4	-0.3%	0.4	-5.0%
Total Liabilities	846.1	760.2	-10.1%	817.7	-7.0%
Non Current Liabilities	399.3	291.9	-26.9%	297.6	-1.9%
Bank Loans	289.6	195.4	-32.5%	196.4	-0.5%
Provisions for Other Liabilities and Charges	47.5	43.4	-8.5%	43.6	-0.4%
Others	62.2	53.1	-14.7%	57.5	-7.7%
Current Liabilities	446.8	468.3	4.8%	520.1	-10.0%
Bank Loans	143.3	171.1	19.4%	187.2	-8.6%
Trade Creditors	134.4	140.5	4.6%	169.0	-16.9%
Others	169.1	156.7	-7.3%	164.0	-4.4%
Operating CAPEX ⁽¹⁾	25.6	24.2	-5.4%	32.4	-25.5%
Operating CAPEX as % of Turnover	12.6%	12.5%	-0.2pp	15.6%	-3.1pp
Total CAPEX	25.6	24.6	-3.8%	32.4	-24.2%
EBITDA - Operating CAPEX	34.7	37.5	7.8%	22.5	66.5%
Operating Cash Flow ⁽²⁾	-76.3	-0.3	99.6%	18.0	-
FCF ⁽³⁾	-86.5	-12.4	85.6%	9.0	-
Gross Debt	455.7	387.5	-15.0%	406.2	-4.6%
Net Debt	355.8	355.2	-0.2%	343.8	3.3%
Net Debt/ EBITDA last 12 months	1.5 x	1.4 x	0.0x	1.4 x	0.0x
EBITDA/Interest Expenses ⁽⁴⁾ (last 12 months)	15.3 x	15.2 x	-0.1x	15.2 x	0.0x
Debt/Total Funds (Debt + Shareholders' Funds)	30.2%	26.0%	-4.2pp	27.3%	-1.2pp
Excluding the Securitisation Transaction:					
Net Debt	387.6	367.0	-5.3%	360.6	1.8%
Net Debt/ EBITDA last 12 months	1.6 x	1.5 x	-0.1x	1.5 x	0.0x
EBITDA/Interest Expenses ⁽⁴⁾ (last 12 months)	15.3 x	15.2 x	-0.1x	15.2 x	0.0x

(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	1Q12	1Q13	Δ 13/12	4Q12	q.o.q.
EBITDA-Operating CAPEX	34.7	37.5	7.8%	22.5	66.5%
Change in WC	-109.5	-38.7	64.7%	-5.5	-
Non Cash Items & Other	-1.6	0.9	-	1.0	-8.2%
Operating Cash Flow	-76.3	-0.3	99.6%	18.0	-
Securitisation Transaction	-5.0	-5.0	0.0%	-5.0	0.0%
Investments	0.0	-1.0	-	0.0	-
Own shares	-0.7	-1.3	-81.6%	0.0	-
Financial results	-3.2	-4.1	-28.4%	-2.8	-48.6%
Income taxes	-1.2	-0.6	50.0%	-1.3	51.3%
FCF	-86.5	-12.4	85.6%	9.0	-

8.4. Sonaecom headcount

Sonaecom	1Q12	1Q13	Δ 13/12	4Q12	q.o.q.
Total Employees	2,011	1,958	-2.6%	2,025	-3.3%
Shared Services and Corporate Centre	137	137	0.0%	139	-1.4%
Optimus	1,061	981	-7.5%	1,008	-2.7%
SSI	561	649	15.7%	641	1.2%
Online & Media	252	191	-24.2%	237	-19.4%

8.5. Optimus consolidated income statement

Million euros

OPTIMUS INCOME STATEMENT	1Q12	1Q13	Δ 13/12	4Q12	q.o.q.
Turnover	176.7	166.1	-6.0%	182.3	-8.9%
Service Revenues	171.3	160.8	-6.1%	170.6	-5.7%
Customer Revenues	135.4	124.1	-8.4%	127.3	-2.6%
Operator Revenues	35.8	36.8	2.6%	43.3	-15.0%
Equipment Sales	5.5	5.2	-3.8%	11.7	-55.2%
Other Revenues	2.6	2.8	7.3%	2.8	1.7%
Operating Costs	120.9	109.7	-9.3%	130.3	-15.8%
Personnel Costs	13.0	11.5	-11.6%	12.1	-5.4%
Direct Servicing Costs ⁽¹⁾	58.5	56.6	-3.1%	62.7	-9.7%
Commercial Costs ⁽²⁾	17.2	13.1	-23.6%	25.8	-49.2%
Other Operating Costs ⁽³⁾	32.3	28.4	-12.0%	29.6	-4.0%
EBITDA	58.4	59.2	1.4%	54.8	8.1%
EBITDA Margin (%)	33.0%	35.7%	2.6pp	30.1%	5.6pp
Operating CAPEX ⁽⁴⁾	25.5	23.4	-8.4%	29.3	-20.2%
Operating CAPEX as % of Turnover	14.4%	14.1%	-0.4pp	16.1%	-2.0pp
EBITDA - Operating CAPEX	32.9	35.9	9.0%	25.5	40.6%
Total CAPEX	25.5	23.4	-8.4%	29.3	-20.2%

(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

8.6. Optimus consolidated balance sheet

Million euros					
CONSOLIDATED BALANCE SHEET	1Q12	1Q13	Δ 13/12	4Q12	q.o.q.
Total Net Assets	1,843.3	1,829.9	-0.7%	1,857.5	-1.5%
Non Current Assets	1,612.1	1,597.8	-0.9%	1,612.5	-0.9%
Tangible and Intangible Assets	953.9	938.3	-1.6%	949.8	-1.2%
Goodwill	565.1	565.1	0.0%	565.1	0.0%
Deferred Tax Assets	92.9	90.8	-2.3%	94.1	-3.4%
Others	0.1	3.6	-	3.6	-0.6%
Current Assets	231.3	232.1	0.4%	245.0	-5.3%
Trade Debtors	84.7	112.3	32.5%	118.4	-5.2%
Liquidity	47.2	14.0	-70.3%	33.5	-58.1%
Others	99.3	105.8	6.5%	93.1	13.6%
Shareholders' Funds	1,012.4	1,038.5	2.6%	1,047.5	-0.9%
Total Liabilities	830.9	791.4	-4.8%	810.0	-2.3%
Non Current Liabilities	483.3	404.6	-16.3%	412.4	-1.9%
Bank Loans	375.2	314.4	-16.2%	315.2	-0.3%
Provisions for Other Liabilities and Charges	45.3	39.4	-13.0%	39.8	-0.9%
Others	62.8	50.8	-19.2%	57.5	-11.7%
Current Liabilities	347.6	386.8	11.3%	397.6	-2.7%
Bank Loans	15.5	102.1	-	104.6	-2.3%
Trade Creditors	116.8	123.4	5.6%	157.6	-21.8%
Others	215.4	161.3	-25.1%	135.4	19.2%
Operating CAPEX ⁽¹⁾	25.5	23.4	-8.4%	29.3	-20.2%
Operating CAPEX as % of Turnover	14.4%	14.1%	-0.4pp	16.1%	-2.0pp
Total CAPEX	25.5	23.4	-8.4%	29.3	-20.2%
EBITDA - Operating CAPEX	32.9	35.9	9.0%	25.5	40.6%
Operating Cash Flow ⁽²⁾	-78.1	-3.7	95.3%	18.7	-
FCF ⁽³⁾	-84.0	-14.4	82.9%	9.5	-
Gross Debt	411.6	435.8	5.9%	440.5	-1.1%
Net Debt	364.3	421.7	15.8%	407.0	3.6%
Net Debt/ EBITDA last 12 months	1.5 x	1.7 x	0.2x	1.7 x	0.1x
EBITDA/Interest Expenses ⁽⁴⁾ (last 12 months)	120.8 x	38.1 x	-82.7x	17.5 x	20.5x
Debt/Total Funds (Debt + Shareholders' Funds)	.3 x	0.3 x	0.7x	0.3 x	0.0x

(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.

9. Financial Information

9.1. Sonaecom consolidated financial statements

Consolidated balance sheets

For the periods ended at 31 March 2013 and 2012 and for the year ended at 31 December 2012

(Amounts expressed in Euro)	Notes	March 2013	March 2012	December 2012
Assets				
Non-current assets				
Tangible assets	1.d, 1.i and 5	576,161,039	575,671,916	582,787,339
Intangible assets	1.e, 1.f and 6	373,887,692	385,408,619	379,531,369
Goodwill	1.g, 1.x and 8	518,878,574	521,103,723	518,307,204
Investments available for sale	1.h, 7 and 9	215,448	212,323	212,323
Other non-current assets	1.h, 1.s, 1.y and 7	1,991,761	302,168	2,422,660
Deferred tax assets	1.q, 1.t and 10	98,064,904	99,271,674	101,134,781
Total non-current assets		1,569,199,418	1,581,970,423	1,584,395,676
Current assets				
Inventories	1.j	15,435,976	6,859,854	13,851,737
Trade debtors	1.h, 1.k, 7 and 22	139,304,250	107,408,958	145,116,712
Other current debtors	1.h, 1.k, 7 and 22	25,364,995	28,713,991	21,782,073
Other current assets	1.s, 1.y and 7	79,816,236	74,064,685	73,358,546
Cash and cash equivalents	1.l, 7 and 11	32,295,637	99,898,634	62,419,042
Total current assets		292,217,094	316,946,122	316,528,110
Total assets		1,861,416,512	1,898,916,545	1,900,923,786
Shareholders' funds and liabilities				
Shareholders' funds				
Share capital	12	366,246,868	366,246,868	366,246,868
Own shares	1.v and 13	(6,531,829)	(7,289,051)	(5,544,847)
Reserves	1.u and 26	722,675,428	676,506,792	646,734,124
Consolidated net income/(loss) for the period		18,426,869	16,977,541	75,419,377
		1,100,817,336	1,052,442,150	1,082,855,522
Non-controlling interests		368,183	369,228	387,479
Total Shareholders' funds		1,101,185,519	1,052,811,378	1,083,243,001
Liabilities				
Non-current liabilities				
Medium and long-term loans – net of short-term portion	1.m, 1.n, 7 and 14.a	195,358,777	289,558,835	196,412,663
Other non-current financial liabilities	1.i, 7 and 15	18,046,070	19,852,885	18,712,963
Provisions for other liabilities and charges	1.p, 1.t and 16	43,437,246	47,484,133	43,612,202
Securitisation of receivables	7 and 17	-	14,981,949	-
Deferred tax liabilities	1.q, 1.t and 10	1,157,270	3,336,162	1,089,637
Other non-current liabilities	1.s, 1.y, 7 and 26	33,899,921	24,063,386	37,731,780
Total non-current liabilities		291,899,284	399,277,350	297,559,245
Current liabilities				
Short-term loans and other loans	1.m, 1.n, 7 and 14.b	171,132,405	143,325,091	187,170,148
Trade creditors	7 and 22	140,503,796	134,383,857	168,996,364
Other current financial liabilities	1.i, 7 and 18	2,972,507	2,945,208	3,873,491
Securitisation of receivables	7 and 17	14,981,618	19,838,393	19,952,518
Other creditors	7 and 22	17,307,759	12,539,734	12,742,471
Other current liabilities	1.s, 1.y, 7 and 26	121,433,624	133,795,534	127,386,548
Total current liabilities		468,331,709	446,827,817	520,121,540
Total Shareholders' funds and liabilities		1,861,416,512	1,898,916,545	1,900,923,786

The notes are an integral part of the consolidated financial statements at 31 March 2013 and 2012.

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 Trigos Jordão

Consolidated profit and loss account by nature

For the periods ended at 31 March 2013 and 2012 and for the year ended at 31 December 2012

(Amounts expressed in Euro)	Notes	March 2013	March 2012	December 2012
Sales	22	13,028,861	15,342,473	65,055,469
Services rendered	22	181,105,304	187,109,040	760,382,910
Other operating revenues	1.k, 1.r and 22	2,073,793	2,330,901	9,289,963
		196,207,958	204,782,414	834,728,342
Cost of sales	1.j	(12,897,242)	(16,540,367)	(68,065,968)
External supplies and services	1.i, 19 and 22	(90,845,487)	(96,169,825)	(392,774,557)
Staff expenses	1.y and 26	(22,574,431)	(22,034,315)	(91,061,871)
Depreciation and amortisation	1.d, 1.e, 1.g, 1.x, 5, 6 and 8	(36,108,401)	(36,780,549)	(153,404,977)
Provisions and impairment losses	1.k, 1.p, 1.x and 16	(4,203,903)	(5,669,856)	(21,956,657)
Other operating costs		(4,063,190)	(4,057,858)	(14,881,492)
		(170,692,654)	(181,252,770)	(742,145,522)
Other financial expenses	1.i, 1.n, 1.w, 1.x, 20 and 22	(4,539,520)	(4,465,678)	(20,711,843)
Other financial income	1.w, 20 and 22	1,505,263	2,157,174	6,702,104
Current income / (loss)		22,481,047	21,221,140	78,573,081
Income taxation	1.q, 10 and 21	(4,046,588)	(4,255,576)	(3,141,032)
Consolidated net income/(loss) for the period		18,434,459	16,965,564	75,432,049
Attributed to:				
Shareholders of parent company	25	18,426,869	16,977,541	75,419,377
Non-controlling interests		7,590	(11,977)	12,672
Earnings per share	25			
Including discontinued operations:				
Basic		0.05	0.05	0.21
Diluted		0.05	0.05	0.21
Excluding discontinued operations:				
Basic		0.05	0.05	0.21
Diluted		0.05	0.05	0.21

The notes are an integral part of the consolidated financial statements at 31 March 2013 and 2012.

The Chief Accountant

Patrícia Maria Cruz Ribeiro da Silva

The Board of Directors

Duarte Paulo Teixeira de Azevedo

Miguel Nuno Santos Almeida

Gervais Gilles Pellissier

Ângelo Gabriel Ribeirinho Paupério

António Sampaio e Mello

Jean-François René Pontal

António Bernardo Aranha da Gama Lobo Xavier

David Charles Denholm Hobley

Nuno Manuel Moniz Trigo Jordão

Maria Cláudia Teixeira de Azevedo

Frank Emmanuel Dangeard

Consolidated statement of profit or loss and other comprehensive income

For the periods ended at 31 March 2013 and 2012 and for the year ended at 31 December 2012

(Amounts expressed in Euro)	Notes	March 2013	March 2012	December 2012
Consolidated net income / (loss) for the period		18,434,459	16,965,564	75,432,049
Components of other consolidated comprehensive income, net of tax, that will be reclassified subsequently to profit or loss:				
Changes in currency translation reserve and other	1.w	21,293	(281,393)	(1,475,942)
Consolidated comprehensive income for the period		18,455,752	16,684,171	73,956,107
Attributed to:				
Shareholders of parent company		18,448,162	16,696,148	73,943,435
Non-controlling interests		7,590	(11,977)	12,672

The notes are an integral part of the consolidated financial statements at 31 March 2013 and 2012.

The Chief Accountant

Patrícia Maria Cruz Ribeiro da Silva

The Board of Directors

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Ângelo Gabriel Ribeirinho Paupério	António Sampaio e Mello	Jean-François René Pontal
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Maria Cláudia Teixeira de Azevedo	Frank Emmanuel Dangeard	

Consolidated movements in shareholders' funds

For the periods ended at 31 March 2013 and 2012

			Reserves								
	Share capital	Own shares (note 13)	Share premium	Legal reserves	Reserves for Medium Term Incentive Plans (note 26)	Reserves of own shares	Other reserves	Total reserves	Non- controlling interests	Net income / (loss)	Total
2013											
Balance at 31 December 2012	366,246,868	(5,544,847)	775,290,377	7,991,192	3,650,779	5,544,847	(145,743,071)	646,734,124	-	75,419,377	1,082,855,522
Appropriation of the consolidated net result of 2012											
Transfers to other reserves	-	-	-	5,161,492	-	-	70,257,885	75,419,377	-	(75,419,377)	-
Consolidated comprehensive income for the period ended at 31 March 2013	-	-	-	-	-	-	21,293	21,293	-	18,426,869	18,448,162
Acquisition of own shares	-	(1,341,195)	-	-	-	1,341,195	(1,341,195)	-	-	-	(1,341,195)
Delivery of own shares under the Medium Term Incentive Plans (notes 1.y and 26)	-	354,213	-	-	(406,267)	(354,213)	425,568	(334,912)	-	-	19,301
Effect of the recognition of the Medium Term Incentive Plans (notes 1.y and 26)	-	-	-	-	835,546	-	-	835,546	-	-	835,546
Balance at 31 March 2013	366,246,868	(6,531,829)	775,290,377	13,152,684	4,080,058	6,531,829	(76,379,520)	722,675,428	-	18,426,869	1,100,817,336
Non-controlling interests											
Balance at 31 December 2012	-	-	-	-	-	-	-	-	387,479	-	387,479
Non-controlling interests in comprehensive income	-	-	-	-	-	-	-	-	7,590	-	7,590
Dividend distribution	-	-	-	-	-	-	-	-	(29,880)	-	(29,880)
Other changes	-	-	-	-	-	-	-	-	2,994	-	2,994
Balance at 31 March 2013	-	-	-	-	-	-	-	-	368,183	-	368,183
Total	366,246,868	(6,531,829)	775,290,377	13,152,684	4,080,058	6,531,829	(76,379,520)	722,675,428	368,183	18,426,869	1,101,185,519

Consolidated movements in shareholders' funds (continued)

For the periods ended at 31 March 2013 and 2012

(Amounts expressed in Euro)			Reserves								
	Share capital	Own shares (note 13)	Legal reserves	Share premium	Reserves for Medium Term Incentive Plans (note 26)	Reserves of own shares	Other reserves	Total reserves	Non- controlling interests	Net income / (loss)	Total
2012											
Balance at 31 December 2011 (restated)	366,246,868	(13,594,518)	7,991,192	775,290,377	7,119,989	13,594,518	(185,050,510)	618,945,566	-	62,287,398	1,033,885,314
Appropriation of the consolidated net result of 2011 (restated)	-	-	-	-	-	-	62,287,398	62,287,398	-	(62,287,398)	-
Consolidated comprehensive income for the period ended at 31 March 2012	-	-	-	-	-	-	(281,393)	(281,393)	-	16,977,541	16,696,148
Acquisition of own shares	-	(883,554)	-	-	-	883,554	(883,554)	-	-	-	(883,554)
Delivery of own shares under the Medium Term Incentive Plans (notes 1.y and 26)	-	7,189,021	-	-	(4,006,035)	(7,189,021)	5,585,629	(5,609,427)	-	-	1,579,594
Effect of the recognition of the Medium Term Incentive Plans (notes 1.y and 26)	-	-	-	-	1,164,648	-	-	1,164,648	-	-	1,164,648
Balance at 31 March 2012	366,246,868	(7,289,051)	7,991,192	775,290,377	4,278,602	7,289,051	(118,342,430)	676,506,792	-	16,977,541	1,052,442,150
Non-controlling interests											
Balance at 31 December 2011 (restated)	-	-	-	-	-	-	-	-	515,654	-	515,654
Non-controlling interests in comprehensive income	-	-	-	-	-	-	-	-	(11,977)	-	(11,977)
Dividend distribution	-	-	-	-	-	-	-	-	(124,500)	-	(124,500)
Other changes	-	-	-	-	-	-	-	-	(9,949)	-	(9,949)
Balance at 31 March 2012	-	-	-	-	-	-	-	-	369,228	-	369,228
Total	366,246,868	(7,289,051)	7,991,192	775,290,377	4,278,602	7,289,051	(118,342,430)	676,506,792	369,228	16,977,541	1,052,811,378

The notes are an integral part of the consolidated financial statements at 31 March 2013 and 2012.

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Frank Emmanuel Dangeard

Consolidated cash flow statements

For the periods ended at 31 March 2013 and 2012

(Amounts expressed in Euro)	March 2013		March 2012	
Operating activities				
Receipts from trade debtors	182,111,832		222,059,977	
Payments to trade creditors	(127,780,830)		(144,718,809)	
Payments to employees	(31,592,031)		(31,157,230)	
Cash flows from operating activities	22,738,971		46,183,938	
Payments / receipts relating to income taxes, net	(623,654)		(1,172,552)	
Other payments / receipts relating to operating activities, net	4,444,416		(2,701,629)	
Cash flows from operating activities (1)	26,559,733		42,309,757	
Investing activities				
Receipts from:				
Financial investments	9,375		-	
Tangible assets	997,464		663,618	
Intangible assets	746		-	
Interest and similar income	863,137	1,870,722	1,774,056	2,437,674
Payments for:				
Financial investments	(1,022,948)		-	
Tangible assets	(22,760,886)		(30,528,564)	
Intangible assets	(13,339,120)	(37,122,954)	(86,303,934)	(116,832,498)
Cash flows from investing activities (2)	(35,252,232)		(114,394,824)	
Financing activities				
Receipts from:				
Loans obtained	15,575,000	15,575,000	65,000	65,000
Payments for:				
Leasing	(1,443,884)		(999,770)	
Interest and similar expenses	(4,794,259)		(5,486,929)	
Dividends	(29,880)		(124,500)	
Acquisition of own shares	(1,039,021)		(738,425)	
Loans obtained	(35,032,587)	(42,339,631)	(10,032,148)	(17,381,772)
Cash flows from financing activities (3)	(26,764,631)		(17,316,772)	
Net cash flows (4)=(1)+(2)+(3)	(35,457,130)		(89,401,839)	
Effect of the foreign exchanges	207,670		13,073	
Cash and cash equivalents at the beginning of the period	62,363,752		189,031,758	
Cash and cash equivalents at the end of the period	27,114,292		99,642,992	

The notes are an integral part of the consolidated financial statements at 31 March 2013 and 2012.

Chief Accountant

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Notes to the consolidated cash flow statements

For the periods ended at 31 March 2013 and 2012

1. Acquisition or sale of subsidiaries or other businesses

	March 2013	March 2012
a) Amounts received of sales		
Distrinews, S.A.	9,375	-
	<u>9,375</u>	<u>-</u>
b) Amounts paid of acquisitions		
Connectiv Solutions, Inc	1,010,448	-
Distrinews, S.A.	12,500	-
	<u>1,022,948</u>	<u>-</u>

2. Details of cash and cash equivalents

	Notes	March 2013	March 2012
Cash in hand	11	263,067	155,989
Cash at bank	11	5,562,579	4,400,949
Treasury applications	11	26,469,991	95,341,696
Overdrafts	11 and 14	(5,181,345)	(255,642)
Cash and cash equivalents		<u>27,114,292</u>	<u>99,642,992</u>
Overdrafts		<u>5,181,345</u>	<u>255,642</u>
Cash assets		<u>32,295,637</u>	<u>99,898,634</u>

3. Description of non-monetary financing activities

	Notes	March 2013	March 2012
a) Bank credit obtained and not used	14	51,090,000	111,352,068
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
2013				
Telecommunication	27,312,960	(33,518,101)	(7,042,086)	(13,247,227)
Multimedia	(1,040,061)	(210,696)	(37,952)	(1,288,709)
Information Systems	847,552	(1,546,052)	(110,534)	(809,034)
Holding	(560,718)	22,617	(19,574,059)	(20,112,160)
	26,559,733	(35,252,232)	(26,764,631)	(35,457,130)

Activity	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Net cash flows
2012				
Telecommunication	44,656,975	(114,758,611)	(6,557,790)	(76,659,426)
Multimedia	(1,390,716)	(189,473)	(45,293)	(1,625,482)
Information Systems	(326,974)	(481,659)	(90,319)	(898,952)
Holding	(629,528)	591,270	(10,179,721)	(10,217,979)
	42,309,757	(114,838,473)	(16,873,123)	(89,401,839)

The notes are an integral part of the consolidated financial statements at 31 March 2013 and 2012.

Chief Accountant

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9.2. Notes to the consolidated financial statements

SONAECOM, SGPS, 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, SGPS, 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, SGPS, 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, SGPS, 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, SGPS, 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 Télécom. 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 O93X – 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, with the exception of the start dates of the adoption of the standards indicated below.

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

The following standards, interpretations, amendments and revisions have been approved (endorsed) by the European Union, and have mandatory application to financial years beginning on or after 1 January 2013 and were first adopted in the period ended at 31 March 2013:

Standard / Interpretation	Effective date (annual periods beginning on or after)
IFRS 1 - Amendments (Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters)	1-Jul-11
The amendments: 1) replace the fixed dates in the derecognition exception and the exception related to the initial fair value measurement of financial instruments; and 2) add a deemed cost exemption to IFRS 1 that an entity can apply at the date of transaction to IFRSs after being subject to severe hyperinflation.	
IFRS 13 (Fair Value Measurement)	1-Jan-13
It will improve consistency and reduce complexity by providing, for the first time, a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs.	
IAS 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.	

Standard / Interpretation	Effective date (annual periods beginning on or after)
IAS 19 - Amendments (Employee Benefits)	1-Jan-13
The amendments make important improvements by eliminating an option to defer the recognition of gains and losses, known as the 'corridor method', improving comparability and faithfulness of presentation, streamlining the presentation of changes in assets and liabilities arising from defined benefit plans and enhancing the disclosure requirements for defined benefit plans.	
IAS 1 - Amendments (Presentation of Items of Other Comprehensive Income)	1-Jul-12
The amendments to IAS 1 require companies preparing financial statements in accordance with IFRSs to group together items within OCI.	
IFRS 7 - Amendments (Disclosures of Financial Instruments)	1-Jan-13
The amendments require additional disclosures regarding financial instruments, particularly, information about those subject to compensation agreements and similars.	
IFRIC 20 (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.	
IFRS 1 - Amendments (Government Loans)	1-Jan-13
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.	
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.	

The application of these standards and interpretations had no material effect on the financial statements of the Group.

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

Standard / Interpretation	Effective date (annual periods beginning on or after)
IFRS 10 (Consolidated Financial Statements)	1-Jan-13(*)
Builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.	
IFRS 11 (Companies jointly controlled)	1-Jan-13(*)
Provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case). The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities.	
IFRS 12 (Disclosures of Interests in Other Entities)	1-Jan-13(*)
New and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.	
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- Admendments (Offsetting Financial Assets and Financial Liabilities)	1-Jan-14
IAS 32 is amended to refer to the disclosure requirements in respect of offsetting arrangements.	

(*) In accordance with the EU Regulation which approves the adoption of IFRS 10, 11 and 12 and the amendments to IAS 27 and IAS 28, an entity shall use these standards no later than periods beginning on or after January 1, 2014. The early adoption is however permitted.

The Group did not proceed to early application of any of these standards on the financial statements for period ended at 31 March 2013.

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

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 9 (Financial Instruments)	1-Jan-15
This standard is the first step in the project to replace IAS 39, and it introduces new requirements for classifying and measuring financial assets.	
Amendments to IFRS 10, IFRS 12 and IAS 27 (Investment Entities);	1-Jan-14
The amendments apply to a particular class of business that qualify as investment entities. The admendments provide an exception to the consolidation requirements in IFRS 10.	

These standards have not yet been approved ('endorsed') by the European Union and, as such, were not adopted by the Group for the period ended at 31 March 2013. Their application is not yet mandatory.

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

The accounting policies and measurement criteria adopted by the Group on 31 March 2013 are comparable with those used in the preparation of 31 December 2012 financial statements.

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'.

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 8). 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

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 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 depreciated in accordance with the estimated useful life of the corresponding assets.

Work in progress corresponds to tangible 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, 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, impairment tests are 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 reappraisal of its calculation, are recorded directly in the profit and loss statement. The Group will choose, 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.

At 31 March 2013 the Group did not hold any investments recorded at fair value through profit and loss.

(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.

At 31 March 2013 the Group did not hold any 'Held-to-maturity investment'.

(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.

Tangible assets acquired under finance lease contracts and the related liabilities are recorded in accordance with the financial method. Under this method the tangible assets, the corresponding accumulated depreciation and the related liability are recorded in accordance with the contractual financial plan at fair value or, if less, at the present value of payments. In addition, interests included in lease payments and the depreciation of the tangible assets are recognised as expenses in the profit and loss statement for the period to which they relate.

Assets under long-term rental contracts are recorded in accordance with the operational lease method. In accordance with this method, the rents paid are recognised as an expense, over the rental period.

j) Inventories

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

Accumulated inventory impairment losses reflect the difference between the acquisition cost and the realisable amount of inventories, as well as the estimated impairment losses due to low turnover, obsolescence and deterioration, and are registered in profit and loss statement, in 'Cost of sales'.

k) Trade and other current debtors

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

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

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

l) Cash and cash equivalents

Amounts included under the caption 'Cash and cash equivalents' correspond to amounts held in cash and term bank deposits and other treasury applications where the risk of change in value is insignificant.

The consolidated cash flow statement has been prepared in accordance with IAS 7, using the direct method. The Group classifies, under the caption 'Cash and cash equivalents', investments that mature in less than three months, for which the risk of change in value is insignificant. The caption 'Cash and cash equivalents' in the cash flow statement also includes bank overdrafts, which are reflected in the balance sheet caption 'Short-term loans and other loans'.

The cash flow statement is classified by operating, financing and investing activities. Operating activities include collections from customers, payments to suppliers, payments to personnel and other flows related to operating activities. Cash flows from investing activities include the acquisition and sale of investments in associated and subsidiary companies, as well as receipts and payments resulting from the purchase and sale of fixed assets. Cash flows from financing activities include payments and receipts relating to loans obtained and finance lease contracts.

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

m) Loans

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

n) Financial expenses relating to loans obtained

Financial expenses relating to loans obtained are generally recognised as expenses at the time they are incurred. Financial expenses related to loans obtained for the acquisition, construction or production of fixed assets are capitalised as part of the cost of the assets. These expenses are capitalised starting from the time of preparation for the construction or development of the asset and are interrupted when the assets are ready to operate, at the end of the production or construction phases or when the associated project is suspended.

o) Derivatives

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

The cash flow hedges used by the Group are related to:

- (i) interest rate swap operations to hedge against interest rate risks on loans obtained. The amounts, interest payment dates and repayment dates of the underlying interest rate swaps are similar in all respects to the conditions established for the contracted loans. Changes in the fair value of cash flow hedges are recorded in assets or liabilities, against a corresponding entry under the caption 'Hedging reserve' in Shareholders' funds;
- (ii) Forward's exchange rate for hedging foreign exchange risk, particularly from receipts from customers of subsidiary Wedo Consulting. The values and times periods involved are identical to the amounts invoiced and their maturities.

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

At 31 March 2013, the Group had foreign exchange forwards to hedge the foreign currency risk related to account receivables in dollars, 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 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 10).

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 10 and 16).

u) Reserves

Legal reserve

Portuguese commercial legislation requires that at least 5% of the annual net profit must be appropriated to a 'Legal reserve', until such reserve reaches at least 20% of the share capital. This reserve is not distributable, except in case of liquidation of

the Company, but may be used to absorb losses, after all the other reserves are exhausted, or to increase the share capital.

Share premiums

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

Medium Term Incentive Plans Reserves

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

Hedging reserve

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

Own shares reserve

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

Under Portuguese law, the amount of distributable reserves is determined in accordance with the individual financial statements of the Company, presented in accordance with IAS / IFRS. Therefore, at 31 March 2013, Sonaecom, SGPS, S.A., have reserves which by their nature are considered distributable, amounted around Euro 201 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:

	2013		2012	
	31 March	Average	31 March	Average
Pounds Sterling	1.1826	1.1756	1.1992	1.1984
Brazilian Real	0.3891	0.3796	0.4111	0.4319
American Dollar	0.7809	0.7578	0.7487	0.7630
Polish Zloti	0.2392	0.2406	0.2408	0.2364
Australian Dollar	0.8125	0.7872	0.7791	0.8050
Mexican Peso	0.0632	0.0600	0.0588	0.0588
Egyptian Pound	0.1148	0.1134	0.1240	0.1259
Malaysian Ringgit	0.2522	0.2459	0.2444	0.2493
Chilean Peso	0.0017	0.0016	0.0015	0.0016
Singapore Dollar	0.6289	0.6122	0.5961	0.6034
Swiss Franc	0.8200	0.8142	0.8302	0.8278
Swedish Krona	0.1197	0.1178	0.1131	0.1130
South African Rand	0.0846	0.0846	0.0977	0.0983
Angolan Kwanza	0.0081	0.0079	0.0079	0.0080
Moroccan Dirham	0.0902	0.0898	0.0896	0.0898

x) Assets impairment

Impairment tests are performed at the date of each balance sheet and whenever an event or change of circumstances indicates that the recorded amount of an asset may not be recoverable. Whenever the book value of an asset is greater than the amount recoverable, an impairment loss is recognised and recorded in the profit and loss statement under the caption 'Depreciation and amortisation' in the case of fixed assets and goodwill, under the caption 'Other financial expenses' in the case of financial investments or under the caption 'Provisions and impairment losses', in relation to the other assets. The recoverable amount is the greater of the net selling price and the value in use. Net selling price is the amount obtainable upon the sale of an asset in a transaction

within the capability of the parties involved, less the costs directly related to the sale. The value in use is the present value of the estimated future cash flows expected to result from the continued use of the asset and of its sale at the end of its useful life. The recoverable amount is estimated for each asset individually or, if this is not possible, for the cash-generating unit to which the asset belongs.

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

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

For certain categories of financial assets for which it is not possible to determine the impairment for each asset individually, the analysis is made for a group of assets.

Evidence of an impairment loss in a portfolio of accounts receivable may include past experience in terms of collections, increasing number of delays in collections, as well as changes in national or local economic conditions that are related with the collections capacity.

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

y) Medium Term Incentive Plans

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

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

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

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

- (i) The total gross fixed amount payable to third parties is recorded in the balance sheet as either 'Other non-current liabilities' or 'Other current liabilities';
- (ii) The part of this responsibility that has not yet been recognised in the profit and loss statement (the 'unelapsed' proportion of the cost of each plan) is deferred and is recorded, in the balance sheet as either 'Other non-current assets' or 'Other current assets';
- (iii) The net effect of the entries in (i) and (ii) above eliminate the original entry to 'Shareholders' funds';
- (iv) In the profit and loss statement, the 'elapsed' proportion continues to be charged as an expense under the caption 'Staff expenses'.

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

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

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

At 31 March 2013, only one plan of Sonaecom share plans was covered through the detention of own shares. For 2011 Sonaecom shares plan, the Company signed with Sonae-SGPS, S.A. a contract that agrees to the transfer of Sonaecom SGPS, S.A. shares for employees and board members of the Group as requested of Sonaecom and under the MTIP of Sonaecom and fixed 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'. 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 plans, into hedging contracts with an external entity under which the acquisition price of those shares was fixed. Therefore, the responsibility is recorded based on that fixed price, proportionally to the period of time elapsed since the award date until the date of record, under the captions 'Other non-current liabilities' and 'Other current liabilities'. The cost is recognised on the income statement under the caption 'Staff expenses'.

z) Subsequent events

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

aa) Judgements and estimates

The most significant accounting estimates reflected in the consolidated financial statements of the years ended at 31 March 2013 and 2012, 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, when applicable.

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, Angola 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 14) 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:

- Amortisation of short-term debt – after comparing the opportunity cost of amortisation and the opportunity cost related to alternative investments;
- 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;
- 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 14.

Credit risk

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

The management of this risk seeks to guarantee that the amounts owing are effectively collected within the periods negotiated without affecting the financial health of the Group. The Group uses credit rating agencies and has specific departments responsible for risk control, collections and management of processes in litigation, as well as credit insurances, which all contribute to the mitigation of credit risk.

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

2. Companies included in the consolidation

Group companies included in the consolidation through full consolidation method, their head offices, main activities, Shareholders and percentage of share capital held at 31 March 2013 and 2012, are as follows:

Company (Commercial brand)	Head office	Main activity	Shareholder	Percentage of share capital held			
				2013		2012	
				Direct	Effective*	Direct	Effective*
Parent company							
SONAECON, S.G.P.S., S.A. ('Sonaecom')	Maia	Management of shareholdings.	-	-	-	-	-
Subsidiaries							
Be Artis - Conceção, Construção e Gestão de Redes de Comunicações, S.A. ('Artis')	Maia	Design, construction, management and exploitation of electronic communications networks and their equipment and infrastructure, management of technologic assets and rendering of related services.	Optimus SGPS Sonaecom	100% -	100% -	- 100%	- 100%
Be Towering - Gestão de Torres de Telecomunicações, S.A. ('Be Towering')	Maia	Implementation, installation and exploitation of towers and other sites for the instalment of telecommunications	Optimus SGPS Optimus	100% -	100% -	- 100%	- 100%
Cape Technologies Limited ('Cape Technologies')	Dublin	Rendering of consultancy services in the area of information systems.	We Do	100%	100%	100%	100%
Digitmarket - Sistemas de Informação, S.A. ('Digitmarket' - using the brand 'Bizdirect')	Maia	Development of management platforms and commercialisation of products, services and information, with the internet as its main support.	Sonae com SI	75.10%	75.10%	75.10%	75.10%
Lugares Virtuais, S.A. ('Lugares Virtuais')	Maia	Organisation and management of electronic online portals, content acquisition, management of electronic auctions, acquisition and deployment of products and services electronically and any related activities.	Miauger	100%	100%	100%	100%
Mainroad - Serviços em Tecnologias de Informação, S.A. ('Mainroad')	Maia	Rendering of consultancy services in IT areas.	Sonae com SI	100%	100%	100%	100%
Miauger - Organização e Gestão de Leilões Electrónicos, S.A. ('Miauger')	Maia	Organisation and management of electronic auctions of products and services on-line.	Sonaecom	100%	100%	100%	100%
Optimus - Comunicações, S.A. ('Optimus')	Maia	Implementation, operation, exploitation and offer of networks and rendering services of electronic communications and related resources; offer and commercialisation of products and equipments of electronic communications.	Optimus SGPS Sonaecom	100% -	100% -	35.86% 64.14%	35.86% 64.14%
Optimus, S.G.P.S., S.A. ('Optimus SGPS')	Maia	Management of shareholdings in the area of telecommunications.	Sonaecom	100%	100%	100%	100%
PCJ - Público, Comunicação e Jornalismo, S.A. ('PCJ')	Maia	Editing, composition and publication of periodical and non-periodical material and the exploration of radio and TV stations and studios.	Sonaecom	100%	100%	100%	100%
Per-Mar - Sociedade de Construções, S.A. ('Per-Mar')	Maia	Purchase, sale, renting and operation of property and commercial establishments.	Optimus SGPS 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')	Oporto	Editing, composition and publication of periodical and non-periodical material.	Sonaecom	100%	100%	100%	100%
Saphety Level - Trusted Services, S.A. ('Saphety')	Maia	Rendering services, training, consultancy services in the area of communication, process and electronic certification of data; trade, development and representation of software.	Sonae com SI	86.995%	86.995%	86.995%	86.995%

* Sonaecom effective participation

Company (Commercial brand)	Head office	Main activity	Shareholder	Percentage of share capital held			
				2013		2012	
				Direct	Effective*	Direct	Effective*
Saphety Brasil Transações Eletrônicas Ltda. ('Saphety Brasil') (a)	São Paulo	Rendering services, training, consultancy services in the area of communication, process and electronic certification of data; electronic identification, storage and availability of databases and electronic payments; trade, development and representation of software related with these services.	Saphety	99.8%	99.8%	-	-
Sonaecom - Serviços Partilhados, S.A. ('Sonaecom SP')	Maia	Support, management consulting and administration, particularly in the areas of accounting, taxation, administrative procedures, logistics, human resources and training	Sonaecom	100%	100%	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 Española, S.L. ('SSI Española')	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%
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.	Optimus SGPS Sonaecom	100% -	100% -	- 100%	- 100%
Tecnológica Telecomunicações, LTDA. ('Tecnológica')	Rio de Janeiro	Rendering of consultancy and technical assistance in the area of IT systems and telecommunications	We Do Brasil	99,99%	99,90%	99,99%	99,90%
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%
We 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	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 RL. ('We Do Mexico')	Mexico City	Rendering of consultancy services in the area of information systems.	Sonaecom BV We Do BV	0,001% 99,999%	0,001% 99,999%	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

(a) Company acquired in February 2013

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

3. Companies jointly controlled

At 31 March 2013 and 2012, the Group jointly controls and consolidates through the proportional method the following companies:

Company (Commercial brand)	Head office	Main activity	Shareholder	Percentage of share capital held			
				2013		2012	
				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')	Oporto	Sound broadcasting. Radio station.	Público	45%	45%	45%	45%
Infosystems – Sociedade de Sistemas de Informação, S.A. ('Infosystems') (a)	Luanda	Rendering of services in the area of information and technology systems.	Sonae com SI	50%	50%	-	-
SSI Angola, S.A. ('SSI Angola') (a)	Luanda	Rendering of services in the area of information and technology systems.	Infosystems	100%	50%	-	-
Zopt (b)	Oporto	Management of shareholdings as an indirect way for the conduct of the economic activities	Sonaecon SGPS	50%	50%	-	-

*Sonaecom effective participation

(a) Company acquired in June 2012

(b) Company established in 21 December 2012.

At 31 March 2013 and 2012, the main impacts arising from the consolidation by the proportional method of the above mentioned entities, are as follows (debit / (credit)):

	2013	2012
Non-current assets	1,733,565	2,146,540
Current assets	1,030,145	1,078,501
Non-current liabilities	(1,516,747)	(1,888,338)
Current liabilities	(677,234)	(745,990)
Net result	4,699	(64,576)
Total revenues	(447,013)	(482,619)
Total costs	451,713	418,043

4. Changes in the Group

During the periods ended at 31 March 2013 and 2012, 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%

b) Acquisitions

Purchaser	Subsidiary	Date	% acquired	Current % shareholding
2013				
Saphety Brasil	Saphety	Feb-13	99.8%	99.8%

5. Tangible assets

The movement in tangible assets and in the corresponding accumulated depreciation and impairment losses in the periods ended at 31 March 2013 and 2012 was as follows:

								2013
	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 2012	301,768,158	1,080,419,350	190,334	213,408,141	1,180,616	5,718,882	20,665,640	1,623,351,121
Additions	1,666	1,053,972	-	4,635,525	-	-	8,209,474	13,900,637
Disposals	(48,155)	(660,243)	-	(139,513)	-	-	-	(847,911)
Transfers and write-offs	1,732,405	10,293,392	-	(968,400)	11,750	56,003	(10,605,064)	520,086
Balance at 31 March 2013	303,454,074	1,091,106,471	190,334	216,935,753	1,192,366	5,774,885	18,270,050	1,636,923,933
Accumulated depreciation and impairment losses								
Balance at 31 December 2012	169,218,283	672,996,043	169,790	191,878,934	1,147,268	5,153,464	-	1,040,563,782
Depreciation for the period	2,183,784	14,157,491	7,108	4,618,341	3,614	67,321	-	21,037,659
Disposals	(37,163)	(345,133)	-	(67,379)	-	-	-	(449,675)
Transfers and write-offs	7,786	(117,940)	-	(278,718)	-	-	-	(388,872)
Balance at 31 March 2013	171,372,690	686,690,461	176,898	196,151,178	1,150,882	5,220,785	-	1,060,762,894
Net value	132,081,384	404,416,010	13,436	20,784,575	41,484	554,100	18,270,050	576,161,039
								2012
	Land, Buildings and other constructions	Plant and machinery	Vehicles	Fixtures and fittings	Tools	Other tangible assets	Work in progress	Total
Gross assets								
Balance at 31 December 2011	302,416,354	1,039,039,573	184,996	201,461,205	1,181,254	5,677,521	36,269,347	1,586,230,250
Additions	65,771	1,498,254	-	3,717,429	220	1,025	13,024,288	18,306,987
Disposals	(75,531)	(14,960,003)	-	(158,745)	-	(18,892)	-	(15,213,171)
Transfers and write-offs	2,838,813	8,796,132	-	157,320	419	28,731	(12,771,472)	(950,057)
Balance at 31 March 2012	305,245,407	1,034,373,956	184,996	205,177,209	1,181,893	5,688,385	36,522,163	1,588,374,009
Accumulated depreciation and impairment losses								
Balance at 31 December 2011	161,265,292	655,832,295	136,116	179,673,009	1,137,465	4,772,518	-	1,002,816,695
Depreciation for the period	2,572,374	14,281,883	8,192	4,452,520	3,104	120,894	-	21,438,967
Disposals	(24,466)	(11,387,647)	-	(132,514)	-	(5,117)	-	(11,549,744)
Transfers and write-offs	(419)	(2,345)	-	(1,061)	-	-	-	(3,825)
Balance at 31 March 2012	163,812,781	658,724,186	144,308	183,991,954	1,140,569	4,888,295	-	1,012,702,093
Net value	141,432,626	375,649,770	40,688	21,185,255	41,324	800,090	36,522,163	575,671,916

The additions that occurred during the periods ended at 31 March 2013 and 2012 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'.

At 31 March 2013, additions include about Euro 1.8 million of capitalizations of personnel costs related to own work (about Euro 2.2 million at 31 March 2012).

At 31 March 2012, disposals include the sale of a set of assets related with 2G, 3G and Micro-Wave network. These sales did not generate significant capital gains.

The acquisition cost of 'Tangible assets' and 'Intangible assets' held by the Group under finance lease contracts, amounted to Euro 36,793,278 and Euro 34,866,677 as of 31 March 2013 and 2012, and their net book value as of those dates amounted to Euro 18,800,543 and Euro 20,362,503, respectively.

At 31 March 2013, the heading 'Tangible assets' included an amount of Euro 26.0 million (2012: Euro 22.4 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 31 March 2013 and 2012, the heading 'Tangible assets' does not include any asset pledged or given as a guarantee for loans obtained, except for the assets acquired under financial lease contracts.

'Tangible assets in progress' at 31 March 2013 and 2012 were made up as follows:

	2013	2012
Development of mobile/fixed network	14,833,294	30,207,793
Information systems	1,555,192	2,495,594
Other projects in progress	1,881,564	3,818,776
	18,270,050	36,522,163

At 31 March 2013 and 2012, the amounts of commitments to third parties relating to investments to be made were as follows:

	2013	2012
Network	9,129,703	38,006,060
Information systems	1,655,994	1,101,275
	10,785,697	39,107,335

6. Intangible assets

In the periods ended at 31 March 2013 and 2012, the movement occurred in Intangible assets and in the corresponding accumulated amortisation and impairment losses, was as follows:

				2013
	Brands and patents and other rights	Software	Intangible assets in progress	Total
Gross assets				
Balance at 31 December 2012	471,768,685	324,762,220	22,694,448	819,225,353
Additions	6,002,180	288,385	3,979,465	10,270,030
Disposals	-	(808)	-	(808)
Transfers and write-offs	37,748	599,960	(2,511,276)	(1,873,568)
Balance at 31 March 2013	477,808,613	325,649,757	24,162,637	827,621,007
Accumulated amortisation and impairment losses				
Balance at 31 December 2012	184,536,858	255,157,126	-	439,693,984
Amortisation for the period	9,959,633	5,111,109	-	15,070,742
Disposals	-	(310)	-	(310)
Transfers and write-offs	(608)	(1,030,493)	-	(1,031,101)
Balance at 31 March 2013	194,495,883	259,237,432	-	453,733,315
Net value	283,312,730	66,412,325	24,162,637	373,887,692

				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	6,769,955	254,489	3,645,093	10,669,537
Disposals	-	-	-	-
Transfers and write-offs	(6,030,032)	6,376,539	(5,477,316)	(5,130,809)
Balance at 31 March 2012	362,430,374	302,999,812	115,980,584	781,410,770
Accumulated amortisation and impairment losses				
Balance at 31 December 2011 (restated)	153,193,021	233,557,139	-	386,750,160
Amortisation for the period	10,031,884	5,309,698	-	15,341,582
Disposals	-	-	-	-
Transfers and write-offs	(6,070,036)	(19,555)	-	(6,089,591)
Balance at 31 March 2012	157,154,869	238,847,282	-	396,002,151
Net value	205,275,505	64,152,530	115,980,584	385,408,619

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

In accordance with the Agreement established on 5 June 2007 with the Ministry of Public Works, Transportation and Communications (MOPTC), part of these commitments, up to Euro 159 million, would be realised through own projects eligible as contributions to the 'Information Society' which will be incurred under the normal course of Optimus – Comunicações, S.A.'s business (investments in network and technology, if not directly related with the accomplishment of other obligations inherent to the attribution of the UMTS License, and activities of research, development and promotion of services, contents and applications). These own projects must be recognised by the MOPTC and by entities created specifically for this purpose. At 31 March 2013, 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, has been realised, as agreed between Optimus – Comunicações S.A. and MOPTC, through contributions to the 'Iniciativas E' project (modem offers, discounts on tariffs, cash contributions, among others, assigned to the widespread use of broadband internet for students and teachers). These contributions are made through the 'Fund for the Information Society', now known as the 'Fundação para as Comunicações Móveis' (Foundation for Mobile Communications), established by the three mobile operators with businesses in Portugal. All responsibility is recognised as an additional cost of UMTS license, against an entry in the captions 'Other non-current liabilities' and 'Other current liabilities'. Thus, at 31 March 2013, all the responsibilities with such commitments are fully recorded in the attached consolidated financial statements.

Intangible assets in the period ended at 31 March 2013, 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 and in January 2013, an amount of Euro 6 were already paid. The remaining amount can be paid in four 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 year ended 31 December 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 (Euro 92.9 million) and the amortization was started, for an estimated period until 2041.

At 31 March 2013 and 2012, the Group kept recorded under the heading 'Intangible assets – brands and contents' the amounts of Euro 168,723,687 and Euro 177,899,536, respectively, that correspond to the investments net of depreciations made in the development of the UMTS network, including: (i) Euro 53,255,114 (2012: Euro 56,255,402) related to the license; (ii) Euro 17,794,486 (2012: Euro 18,796,992) related to the agreement signed in 2002 between Oni Way and the other three mobile telecommunication operators with

activity in Portugal; (iii) Euro 5,465,224 (2012: Euro 5,773,124) 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 87,658,716 (2012: Euro 92,267,526) related with the programme 'Initiatives E', these last two associated to the commitments assumed by the Group in relation to the 'Information Society'.

The caption 'Brands and patents and other rights' includes also an amount of about Euro 12.2 million (2012: Euro 17.5 million) that corresponds to the costs incurred for customers' loyalty contracts (note 1.e).

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

At 31 March 2013 and 2012, the total net amount of financial expenses capitalization amounted to Euro 9,334,452 and Euro 10,279,410, respectively. The amounts capitalised in the periods ended at 31 March 2013 and 2012 were Euro 159,849 and Euro 1,056,285, respectively. An interest capitalisation rate of 2.60% was used in 2013 (2.89% in 2012), which corresponds to the average interest rate supported by the Group.

At 31 March 2013, additions include about Euro 2.0 million of capitalizations of personnel costs related to own work (about Euro 2.0 million at 31 March 2012).

The assessment of impairment for the main tangible and intangible assets, in the various segments, is carried out as described in note 8 ('Goodwill'), to the extent that such assets are closely related to the overall activity of the segment and consequently cannot be analysed separately.

7. Breakdown of financial instruments

At 31 March 2013 and 2012, the breakdown of financial instruments was as follows:

						2013
	Loans and receivables	Investments available for sale	Other financial assets	Subtotal	Others not covered by IFRS 7	Total
Non-current assets						
Investments available for sale (note 9)	-	215,448	-	215,448	-	215,448
Other non-current assets	1,991,761	-	-	1,991,761	-	1,991,761
	1,991,761	215,448	-	2,207,209	-	2,207,209
Current assets						
Trade debtors	139,304,250	-	-	139,304,250	-	139,304,250
Other current debtors	18,710,708	-	-	18,710,708	6,654,287	25,364,995
Other current assets	-	-	59,327,535	59,327,535	20,488,701	79,816,236
Cash and cash equivalents (note 11)	32,295,637	-	-	32,295,637	-	32,295,637
	190,310,595	-	59,327,535	249,638,130	27,142,988	276,781,118
	Loans and receivables	Investments available for sale	Other financial assets	Subtotal	Others not covered by IFRS 7	2012
						Total
Non-current assets						
Investments available for sale (note 9)	-	212,323	-	212,323	-	212,323
Other non-current assets	302,168	-	-	302,168	-	302,168
	302,168	212,323	-	514,491	-	514,491
Current assets						
Trade debtors	107,408,958	-	-	107,408,958	-	107,408,958
Other current debtors	21,009,340	-	-	21,009,340	7,704,651	28,713,991
Other current assets	-	-	57,731,875	57,731,875	16,332,810	74,064,685
Cash and cash equivalents (note 11)	99,898,634	-	-	99,898,634	-	99,898,634
	228,316,932	-	57,731,875	286,048,807	24,037,461	310,086,268

					2013
	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 14)	195,358,777	-	195,358,777	-	195,358,777
Other non-current financial liabilities (note 15)	-	18,046,070	18,046,070	-	18,046,070
Other non-current liabilities	-	33,772,101	33,772,101	127,820	33,899,921
	195,358,777	51,818,171	247,176,948	127,820	247,304,768
Current liabilities					
Short-term loans and other loans (note 14)	171,132,405	-	171,132,405	-	171,132,405
Trade creditors	-	140,503,796	140,503,796	-	140,503,796
Other current financial liabilities (note 18)	-	2,972,507	2,972,507	-	2,972,507
Securitisation of receivables (note 17)	14,981,618	-	14,981,618	-	14,981,618
Other creditors	-	2,223,983	2,223,983	15,083,776	17,307,759
Other current liabilities	-	94,559,415	94,559,415	26,874,209	121,433,624
	186,114,023	240,259,701	426,373,724	41,957,985	468,331,709

					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 14)	289,558,835	-	289,558,835	-	289,558,835
Other non-current financial liabilities (note 15)	-	19,852,885	19,852,885	-	19,852,885
Securitisation of receivables (note 17)	14,981,949	-	14,981,949	-	14,981,949
Other non-current liabilities	-	23,822,905	23,822,905	240,481	24,063,386
	304,540,784	43,675,790	348,216,574	240,481	348,457,055
Current liabilities					
Short-term loans and other loans (note 14)	143,325,091	-	143,325,091	-	143,325,091
Trade creditors	-	134,383,857	134,383,857	-	134,383,857
Other current financial liabilities (note 18)	-	2,945,208	2,945,208	-	2,945,208
Securitisation of receivables (note 17)	19,838,393	-	19,838,393	-	19,838,393
Other creditors	-	2,281,947	2,281,947	10,257,787	12,539,734
Other current liabilities	-	105,870,577	105,870,577	27,924,957	133,795,534
	163,163,484	245,481,589	408,645,073	38,182,744	446,827,817

Considering the nature of the balances, the amounts to be paid and received to/from 'State and other public entities' as well as specialized costs related to the share based plans were considered outside the scope of IFRS 7. On the other hand, the deferred costs/profits recorded in the captions 'Other current assets', 'Other non-current assets', 'Other current liabilities' and 'Other non-current liabilities' were considered non-financial instruments.

The Board of Directors believes that, the fair value of the breakdown of financial instruments recorded at amortised cost or registered at the present value of the payments does not differ significantly from their book value. This decision is based in the contractual terms of each financial instrument.

8. Goodwill

For the periods ended at 31 March 2013 and 2012, the movements occurred in Goodwill were as follows:

	2013	2012
Opening balance	518,307,204	521,103,723
Connectiv goodwill adjustment (note 1.g)	412,703	-
Other movements of the period	158,667	-
Closing balance	518,878,574	521,103,723

For the period ended at 31 March 2013, the caption 'Other movements of the period' includes, mainly, the effects of the exchange rate update of the Goodwill.

At 30 April 2012, the group acquired the entire share capital of Connectiv Solutions, Inc.. Following that, the group started from 1 May 2012 to consolidated assets, liabilities and result of this company using the full consolidation method.

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 the amount of EUR 5,580,478. 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 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. For the periods ended at 31 March 2013, the contingent amount payable was adjusted by EUR 412,703, which generated an adjustment to initial Goodwill, in accordance with IFRS 3 Business Combinations.

The allocation of the acquisition price is still subject to changes until the conclusion of a period of one year from the date of 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.

At 1 January 2013, occurred the merger by incorporation of Connectiv in WeDo Americas.

Goodwill at 31 March 2013 and 2012 was made up as follows:

	Telecommunications	Information Systems	Multimedia
Goodwill	485,150,341	26,406,535	7,321,698

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. In the telecommunications sector, the assumptions used are based on past performances, the evolution of the number of customers, the likely evolution of regulated tariffs, the current market conditions as well as expectations for future developments. In the area of information systems, the assumptions used are essentially based on the various businesses of the Group and the growth of the several geographic areas where the Group operates. 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%. 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.

	Telecommunications	Information Systems	Multimedia
Assumptions			
Basis of recoverable amount	Value in use	Value in use	Net selling price
Discount rate	9.5%	14.0%	-
Growth rate in perpetuity	3.0%	3.0%	-

Due to the worsening of the financial crisis, which caused a significant deterioration of the Portugal's macroeconomic scenario in the last years, the advertising market suffered a sharp decline. This situation along with, the bearish forecasts for the next years, aggravated the outlook for future developments. Sales of newspapers and related products have been declining, affecting the projections of cash flows of the multimedia segment, leading the record of a loss in the amount of € 8 million in the year ended at 31 December 2012, under the caption 'Depreciation and amortization' of the Income Statement, in accordance with the policy described in Note 1.x. The sensitivity analysis performed, at the end of the year, did not lead to material changes in the recoverable amounts and therefore did not result in additional losses.

The evidence of impairment analysis, the revision of the projections and impairment tests did not lead to clearance of losses, in the periods ended at 31 March 2013 and 2012.

In the Telecommunications and Information Systems segment, the sensitivity analysis performed, as required by IAS 36 - Impairment of Assets, variations of 50 bp in the discount rate or variations of 100 bp in the growth rate did not lead to material changes in the recoverable amounts and therefore did not result in additional losses.

9. Investments available for sale

At 31 March 2013 and 2012, this caption included investments classified as available-for-sale and was made up as follows:

	%	2013	2012
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	-	13,104	9,979
		215,448	212,323

During the periods ended at 31 March 2013, the movement occurred on the heading 'Investments available for sale', corresponded to the incorporation of the company Distrinews, SA in which Público subscribed 25% of its capital in the amount of Euro 12,500, and subsequent sale of 75% of the capital held in the same entity in the amount of Euro 9,375.

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

At 31 March 2013, 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⁾	14,267	6,841	1,215	19,485	957	261
VISAPRESS - Gestão de Conteúdos dos Média, CRL ⁽¹⁾	102	2	-	128	37	37

⁽¹⁾ Amounts expressed in thousands euro at 31 December 2012.

10. Deferred taxes

Deferred tax assets at 31 March 2013 and 2012, amounted to Euro 98,064,904 and Euro 99,271,674, respectively, and arose, mainly, from tax losses carried forward, from differences between the accounting and tax amount of some fixed assets and from others temporary differences.

The movements in deferred tax assets in the periods ended at 31 March 2013 and 2012 were as follows:

					2013
	Balance at 31 December 2012	Movements in deferred tax of year	Utilization of deferred tax	Record/(reverse) of deferred tax of previous years	Balance at 31 March 2013
Tax losses	6,172,973	185,848	-	192,533	6,551,354
Tax provisions not accepted and other temporary differences	36,302,876	(1,012,933)	-	(1,238)	35,288,705
Tax benefits (SIFIDE and RFAI)	9,709,216	-	-	1,086,743	10,795,959
Adjustments in the conversion to IAS/IFRS	13,249,801	(1,656,225)	-	-	11,593,576
Temporary differences arising from the securitisation of receivables	3,220,000	-	(805,000)	-	2,415,000
Differences between the tax and accounting amount of certain fixed assets and others	32,510,701	(1,649,599)	-	529,658	31,390,760
Sub-total effect on results (note 21)	101,165,567	(4,132,909)	(805,000)	1,807,696	98,035,354
Others	(30,786)	60,336	-	-	29,550
Closing balance	101,134,781	(4,072,573)	(805,000)	1,807,696	98,064,904
					2012
	Balance at 31 December 2011	Movements in deferred tax of year	Utilization of deferred tax	Record/(reverse) of deferred tax of previous years	Balance at 31 March 2012
Tax losses	7,152,769	-	(115,821)	-	7,036,948
Tax provisions not accepted and other temporary differences	26,591,262	(300,676)	-	732,922	27,023,508
Tax benefits (SIFIDE and RFAI)	3,519,525	-	-	17,217	3,536,742
Adjustments in the conversion to IAS/IFRS	20,203,355	(1,683,614)	-	-	18,519,741
Temporary differences arising from the securitisation of receivables	6,440,000	-	(805,000)	-	5,635,000
Differences between the tax and accounting amount of certain fixed assets and others	39,975,219	(2,469,151)	-	-	37,506,068
Sub-total effect on results (note 21)	103,882,130	(4,453,441)	(920,821)	750,139	99,258,007
Others	(28,249)	41,916	-	-	13,667
Closing balance	103,853,881	(4,411,525)	(920,821)	750,139	99,271,674

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 17). 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 at that date. Until 31 March 2013, an amount of Euro 13.6 million was reversed corresponding to the reversal of the above referred temporary difference.

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

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

At 31 March 2013 and 2012, assessments of the deferred tax assets to be recovered and 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 8.

The rate used at 31 March 2013 and 2012, in Portuguese companies, to calculate the deferred tax assets relating to tax losses carried forward was 25%. The rate used to calculate the temporary differences, including provisions not accepted and impairment losses, was 26.5%. Tax benefits, related to deductions from taxable income, are considered at 100%, and in some cases, their full acceptance is dependent on the approval of the authorities that concede such tax benefits. It wasn't considered the state surcharge, as it was understood to be unlikely the taxation of temporary differences during the estimated period when the referred rate will be applicable. For foreign companies was used the rate in force in each country.

In accordance with the tax returns and other information prepared by the companies that have registered deferred tax assets, the detail of such deferred tax assets, by nature, at 31 March 2013 and 2012 was as follows:

Nature	Companies included in the tax group	Companies excluded of the tax group							2013 Total Sonaecom Group
		Digitmarket	Cape Technologies	We Do Brasil	We Do USA	Sonocom Sistemas de Informação Espanha	We Do Mexico	Total	
Tax losses:									
To be used until 2015	5,628,170	-	-	-	-	-	-	-	5,628,170
To be used until 2021	-	-	-	-	-	-	153,061	153,061	153,061
To be used until 2022	-	-	-	-	-	-	28,236	28,236	28,236
To be used until 2023	-	-	-	-	-	-	106,501	106,501	106,501
To be used until 2025	-	-	-	-	-	151,545	-	151,545	151,545
To be used until 2030	-	-	-	-	142,929	7,393	-	150,322	150,322
To be used until 2032	-	-	-	-	125,994	-	-	125,994	125,994
To be used until 2033	-	-	-	-	73,019	-	-	73,019	73,019
Unlimited utilisation	-	-	134,506	-	-	-	-	134,506	134,506
Tax losses	5,628,170	-	134,506	-	341,942	158,938	287,798	923,184	6,551,354
Tax provisions not accepted and other temporary differences	34,749,940	24,710	-	374,750	87,661	-	51,644	538,765	35,288,705
Tax benefits (SIFIDE and RFAI)	10,795,959	-	-	-	-	-	-	-	10,795,959
Adjustments in the conversion to IAS/IFRS	11,593,207	369	-	-	-	-	-	369	11,593,576
Temporary differences arising from the securitisation of receivables of certain fixed assets and others	2,415,000	-	-	-	-	-	-	-	2,415,000
Others	-	-	-	-	8,479	-	21,071	29,550	31,390,760
Total	65,182,276	25,079	134,506	374,750	438,082	158,938	360,513	1,491,868	98,064,904

At 31 March 2013 and 2012, 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:

	2013	2012
Tax losses	22,352,915	27,364,673
Temporary differences (provisions not accepted for tax purposes and other temporary differences)	36,045,542	44,356,433
Others	3,894,745	12,386,796
Total	62,293,202	84,107,902

At 31 March 2013 and 2012, tax losses for which deferred tax assets were not recognised have the following due dates:

Due date	2013	2012
2012	-	4,576,414
2013	13,458,713	13,847,153
2014	695,592	492,722
2015	3,739,042	4,396,373
2016	407,700	373,425
2017	441,964	156,996
2018	65,437	327,826
2019	331,156	51,352
2020	28,260	10,202
2021	53,860	66,903
2022	11,566	13,860
2027	-	32,918
2030	84,675	-
2031	42,529	-
Unlimited	2,992,421	3,018,529
	22,352,915	27,364,673

The years 2017 and following are applicable to the subsidiaries incorporated in countries in which the reporting period of tax losses is greater than four years.

The deferred tax liabilities at 31 March 2013 and 2012 amounting to Euro 1,157,270 and Euro 3,336,162 respectively, result mainly from temporary differences between tax and accounting results of the tangible and intangible assets.

The movement that occurred in deferred tax liabilities in the periods ended at 31 March 2013 and 2012 were as follows:

	2013	2012
Opening balance	(1,089,637)	(5,186,711)
Impact on results:		
Temporary differences between accounting and tax result	(50,572)	1,359,734
Sub-total impact on results (note 21)	(50,572)	1,359,734
Others	(17,061)	490,815
Closing balance	(1,157,270)	(3,336,162)

The reconciliation between the earnings before taxes and the taxes recorded for the periods ended at 31 March 2013 and 2012 is as follows:

	2013	2012
Earnings before taxes	22,481,047	21,221,140
Income tax rate (25%)	(5,620,262)	(5,305,285)
Deferred tax assets not recognised in the individual accounts and / or resulting from consolidation adjustments and other adjustments to taxable income	(643,407)	(1,565,433)
Record/(reverse) of deferred tax assets related to previous years and tax benefits	1,807,696	750,139
Use of tax losses and tax benefits without record of deferred tax asset in previous years	1,006,762	2,165,974
Temporary differences for the period without record of deferred tax assets	(606,016)	(659,711)
Record of deferred tax liabilities	(350,070)	-
Temporary differences arising from the securitisation of receivables	450,000	450,000
Movements in the temporary differences between the tax and accounting amounts of the UMTS license	(91,291)	(91,260)
Income taxation recorded in the period (note 21)	(4,046,588)	(4,255,576)

The tax rate used at 31 March 2013, to reconcile the tax expense and the accounting profit was 25% because it is the standard rate of the corporate income tax in Portugal.

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 2009 (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. Given the principle of periodization of taxable income, Optimus was subsequently notified of the improper deduction of the amount of Euro 20 million in the calculation of taxable income for the years 2009 (Tax Inspection Report and notice of settlement received in December 2011 and January 2012, respectively) and 2010 (Report of the Tax Inspection received in January 2013).

Since the increases made in 2008, was not accepted by not comply with Article 18 of the CIRC, also in the years following, the deduction corresponding to credits generated in that year, will eliminate the calculation of taxable income, to meet the annual amortization hired as part of the operation (20 million per year during 5 years,). Optimus challenged the decisions regarding 2008 and 2009 fiscal years and will challenge, in time, the decision regarding 2010 fiscal year. It is confidence of the Board of Directors of the Optimus and the Group that there are strong arguments to obtain a favorable decision for Optimus. For this reason, Optimus kept the recording of deferred tax assets associated with this operation.

Supported by the Company's lawyers and Tax consultants, the Board of Directors believes that there are no liabilities not provisioned in the consolidated financial statements, associated to probable tax contingencies that should have been registered or disclosed in the accompanying financial statements, at 31 March 2013.

11. Cash and cash equivalents

At 31 March 2013 and 2012, the detail of cash and cash equivalents was as follows:

	2013	2012
Cash	263,067	155,989
Bank deposits repayable on demand	5,562,579	4,400,949
Treasury applications	26,469,991	95,341,696
Cash and cash equivalents	32,295,637	99,898,634
Bank overdrafts (note 14)	(5,181,345)	(255,642)
	27,114,292	99,642,992

At 31 March 2013 and 2012, the 'Treasury applications' had the following breakdown:

	2013	2012
Sonae Investments BV	11,810,000	31,810,000
Bank applications	14,659,991	63,531,696
	26,469,991	95,341,696

During the period ended at 31 March 2013, the above mentioned treasury applications bear interests at an average rate of 2.13% (3.20% in 2012).

12. Share capital

At 31 March 2013 and 2012, 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:

	2013		2012	
	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')	78,119,762	21.48%	80,761,848	22.05%
Atlas Service Belgium	73,249,374	20.00%	73,249,374	20.00%
Millenium BCP	12,500,998	3.41%	12,500,998	3.41%
Own shares (note 13)	4,882,615	1.18%	5,020,529	1.37%
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.

13. Own shares

During the period ended at 31 March 2013, Sonaecom delivered to its employees 247,423 own shares under its Short and Medium Term Incentive Plan.

Additionally, during the period ended at 31 March 2013, Sonaecom acquired 809,000 shares (at an average price of Euro 1.658), holding at 31 March 2013, 4,882,615 own shares, representative of 1.33% of its share capital at the average acquisition cost of Euro 1.338.

14. Loans

At 31 March 2013 and 2012, 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	2013	2012
Sonaecom	'Obrigações Sonaecom SGPS 2005'	150,000,000	Jun-13	Final	-	150,000,000
SGPS	'Obrigações Sonaecom SGPS 2011'	100,000,000	Mar-15	Final	100,000,000	100,000,000
	'Obrigações Sonaecom SGPS 2010'	40,000,000	Mar-15	Final	40,000,000	40,000,000
	'Obrigações Sonaecom SGPS 2012'	20,000,000	Jul-15	-	20,000,000	-
	Costs associated with financing set-up	-	-	-	(1,428,055)	(2,539,092)
	Interests incurred but not yet due	-	-	-	252,063	1,370,934
					158,824,008	288,831,842
Sonaecom	Commercial paper	30,000,000	Jul-15	-	30,000,000	-
SGPS	Costs associated with financing set-up	-	-	-	(70,346)	-
	Interests incurred but not yet due	-	-	-	241,474	-
					30,171,128	-
WeDo USA	Bank loan	-	Apr-19	-	5,857,050	-
Unipress	Bank loan	-	Jun-17	-	141,337	271,123
Saphety	Minority Shareholder loans	-	-	-	451,322	451,322
	Costs associated with financing set-up	-	-	-	(162,676)	-
	Interests incurred but not yet due	-	-	-	76,608	4,548
					6,363,641	726,993
					195,358,777	289,558,835

b) Short-term loans and other loans

						Amount outstanding
Company	Issue denomination	Limit	Maturity	Type of reimbursement	2013	2012
Sonaecom SGPS	'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
	Costs associated with financing set-up	-	-	-	(126,563)	-
	Interests incurred but not yet due	-	-	-	502,055	-
					150,375,492	30,000,000
Sonaecom SGPS	Commercial paper	150,000,000	Jul-12	-	-	100,000,000
	Commercial paper	25,000,000	Jul-13	-	7,000,000	13,000,000
	Costs associated with financing set-up	-	-	-	(5,200)	(188,694)
	Interests incurred but not yet due	-	-	-	5,768	258,143
					7,000,568	113,069,449
Sonaecom SGPS	Overdraft facilities	16,500,000	Jul-13	-	8,575,000	-
Sonaecom SGPS	Authorised overdrafts	2,500,000	Oct-13	-	2,485,000	-
Several	Bank overdrafts	-	-	-	2,696,345	255,642
					13,756,345	255,642
					171,132,405	143,325,091

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 Espírito Santo de Investimento and Caixa - Banco de Investimento. These bond issues were traded on Euronext Lisbon market. At 4 February 2013, the Company settled the bond loan of Euro 30 million.

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.

In July 2012, Sonaecom signed a Bond Loan, privately placed, amounting to Euro 20 million without guarantees and with the maturity of three years. The bonds bear interest at floating rate, indexed to Euribor and paid semiannually. This issue was organised and mounted by Banco BPI.

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

The average interest rate of the bond loans, in the period, was 2.39% (3.52% in 2012).

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).

In June 2010, Sonaecom contracted a Commercial Paper Programme Issuance with a maximum amount of Euro 15 million with subscription grant and maturity of tree years, organised by Caixa Económica Montepio Geral.

In July 2012, Sonaecom contracted a Commercial Paper Programme Issuance with a maximum amount of Euro 30 million with subscription grant and maturity of tree years, organised by Caixa - Banco de Investimento and Caixa Geral de Depósitos. Additionally, in the same period, Sonaecom contracted a Commercial Paper Programmes with a maximum of Euro 25 million with subscription grant and effective for a period of one year, organised by Banco Santander Totta.

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.

In April 2012, WeDo Americas contracted a long term loan, amounted to USD 7,5 million with the manturity of seven years, organised by Espírito Santo Bank. Repayment of this loan is due in 11 equal semiannual payments, with the first to be made in April 2014.

On 31 March 2013, 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 Optimus SGPS, 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 31 March 2013 and at present date, Sonaecom was fully compliant with all the financial constraints above mentioned. As a result of the negotiation process with the financial system, the necessary approvals were obtained, allowing the resolution of the impacts of possible merger between Optimus and Zon.

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 29 million. These credit lines have maturities up to one year, automatically renewable, except in case of termination by either party, with some periods of notice.

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

At 31 March 2013 and 2012, the repayment schedule of medium and long-term loans and of interests (nominal values), for bonds, commercial paper and for WeDo Americas bank loan 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
2013					
Bond loan:					
Reimbursements	-	150,000,000	10,000,000	-	-
Interests	5,595,859	5,292,192	167,988	-	-
Commercial paper:					
Reimbursements	-	-	30,000,000	-	-
Interests	1,187,520	1,187,520	396,925	-	-
Other loans:					
Reimbursements	-	1,064,918	1,064,918	1,064,918	1,064,918
Interests	165,518	144,518	114,878	84,660	54,649
	6,948,897	157,689,148	41,744,709	1,149,578	1,119,567
2012					
Bond loan:					
Reimbursements	-	150,000,000	140,000,000	-	-
Interests	9,439,500	6,471,505	5,503,397	-	-
Commercial paper:					
Reimbursements	-	-	-	-	-
Interests	-	-	-	-	-
	9,439,500	156,471,505	145,503,397	-	-

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 (at 31 March 2013 its maturity was three years). As so, such liabilities are recorded in the medium and long term.

Minority Shareholder loans have no maturity defined.

At 31 March 2013 and 2012, 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
2013						
Sonaecom	Commercial paper	30,000,000	30,000,000	-		x
Sonaecom	Commercial paper	25,000,000	7,000,000	18,000,000	x	
Sonaecom	Commercial paper	15,000,000	-	15,000,000	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	20,000,000	20,000,000	-		x
Sonaecom	Overdraft facilities	16,500,000	8,575,000	7,925,000	x	
Sonaecom	Authorised overdrafts*	10,000,000	-	10,000,000	x	
Sonaecom	Authorised overdrafts	2,500,000	2,485,000	15,000	x	
SIRS	Authorised overdrafts	150,000	-	150,000	x	
WeDo USA	Bank loan	5,857,050	5,857,050	-		x
Others	Several	-	2,696,345	-	x	
		415,007,050	366,613,395	51,090,000		
2012						
Sonaecom	Commercial paper	150,000,000	100,000,000	50,000,000	x	
Sonaecom	Commercial paper	30,000,000	13,000,000	17,000,000	x	
Sonaecom	Commercial paper	15,000,000	-	15,000,000	x	
Sonaecom	Commercial paper	10,000,000	-	10,000,000	x	
Sonaecom	Bond loan	150,000,000	150,000,000	-		x
Sonaecom	Bond loan	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	202,068	-	202,068	x	
SIRS	Authorised overdrafts	150,000	-	150,000	x	
Others	Several	-	255,642	-	x	
		544,352,068	433,255,642	111,352,068		

* Can also be used in the form of commercial paper

At 31 March 2013 and 2012, there are no interest rate hedging instruments therefore the total gross debit is exposed to changes in market interest rates.

15. Other non-current financial liabilities

At 31 March 2013 and 2012, this caption was made up of accounts payable to tangible and intangible assets suppliers related to lease contracts which are due in more than one year in the amount of Euro 18,046,070 and Euro 19,852,885, respectively.

At 31 March 2013 and 2012, the payment of these amounts was due as follows:

	2013		2012	
	Lease payments	Present value of lease payments	Lease payments	Present value of lease payments
2012	-	-	2,789,323	2,178,702
2013	2,606,417	2,157,439	4,173,743	3,214,108
2014	3,783,839	2,891,374	3,258,098	2,436,404
2015	3,641,379	2,893,468	3,188,979	2,489,851
2016	2,878,073	2,268,667	2,305,802	1,716,808
2017 onwards	12,977,213	10,807,629	12,926,150	10,762,220
	25,886,921	21,018,577	28,642,095	22,798,093
Interests	(4,868,345)	-	(5,844,002)	-
	21,018,576	21,018,577	22,798,093	22,798,093
Short-term liability (note 18)	-	(2,972,507)	-	(2,945,208)
	21,018,576	18,046,070	22,798,093	19,852,885

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. The carrying amount of these assets and the corresponding liabilities for the years ended at 31 March 2013 and 2012 was as follows:

	2013	2012
Net Assets	12,809,696	14,084,518
Current liabilities	713,879	674,279
Non-current liabilities	13,563,612	14,611,244

16. Provisions and accumulated impairment losses

The movements in provisions and in accumulated impairment losses in the periods ended at 31 March 2013 and 2012 were as follows:

	Opening balance	Increases	Utilisations and Transfers	Decreases	Closing balance
2013					
Accumulated impairment losses on accounts receivables	83,081,017	3,829,544	(15,361,547)	(5,412)	71,543,602
Accumulated impairment losses on inventories	4,377,789	-	(620,346)	(55,420)	3,702,023
Provisions for other liabilities and charges	43,612,202	830,933	(999,297)	(6,592)	43,437,246
	131,071,008	4,660,477	(16,981,190)	(67,424)	118,682,871
2012					
Accumulated impairment losses on accounts receivables	78,700,909	5,719,984	(12,336,050)	(18,075)	72,066,768
Accumulated impairment losses on inventories	12,801,233	288,613	(119,438)	-	12,970,408
Provisions for other liabilities and charges	48,549,956	914,013	(1,973,712)	(6,124)	47,484,133
	140,052,098	6,922,610	(14,429,200)	(24,199)	132,521,309

The increase of 'Provisions for other liabilities and charges' includes the amount of Euro 283,696 (2012: Euro 531,402) recorded in the profit and loss statement, under the caption 'Income taxation' (note 21), the amount of Euro 74,636 (2012: Euro 432,739) related to the dismantling of sites, as foreseen in IAS 16 - Fixed Assets (note 1.d)) and the amount of Euro 98,242 recorded in the profit and loss statement in 'Other financial expenses' concerning the update of previous provision to dismantling of sites.

Thus, under the caption 'Provisions for other liabilities and charges' in Profit and Loss statement, was recorded a increase amounted to Euro 4,203,903 in 2013 and to Euro 5,669,856 in 2012.

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

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

At 31 March 2013 and 2012, the breakdown of the provisions for other liabilities and charges is as follows:

	2013	2012
Dismantling of sites	14,174,691	23,296,940
Several contingencies	4,732,928	3,704,502
Legal processes in progress	3,308,069	3,185,629
Indemnities	623,405	742,151
Other responsibilities	20,598,153	16,554,911
	43,437,246	47,484,133

At 31 March 2013, the value of provisions for the decommissioning of sites is recorded at its present value, accordingly with the dates of its utilization (in accordance with IAS 37 – 'Provisions, Contingent Liabilities and Contingent Assets').

The decrease during the year 2012 is due to the update to the present value of the provisions for decommissioning of sites accordingly with consideration the estimated dates of its utilization which was recognized in reduction in an equal amount in tangible assets (Note 5).

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 18.5 million, which includes the amount of Euro 6.8 million related to the dispute concerning the vagueness of the interconnection tariffs of 2001 (note 27) and the amount of Euro 5.0 million related to roaming discounts.

17. Securitisation of receivables

On 30 December 2008, the subsidiary Optimus – Comunicações, 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 10).

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 to Optimus – Comunicações, 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 14,981,618) was registered in current liabilities.

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

At 31 March 2013 and 2012, the amount recorded in 'Securitisation of receivables' has the following maturity:

	N+1	N+2	Total
2013			
Securitisation of receivables	14,981,618	-	14,981,618
2012			
Securitisation of receivables	19,838,393	14,981,949	34,820,342

18. Other current financial liabilities

At 31 March 2013, this caption includes the amount of Euro 2,972,507 (2012: Euro 2,945,208) related to the short term portion of lease contracts (note 15).

19. External supplies and services

'External supplies and services' for the periods ended at 31 March 2013 and 2012 had the following composition:

	2013	2012
Interconnection costs	44,471,385	45,089,306
Specialised works	10,645,895	11,193,807
Rents	7,767,254	8,867,530
Other subcontracts	7,365,481	6,773,062
Commissions	4,203,264	4,554,012
Energy	2,652,126	2,569,193
Advertising and promotion	2,556,696	4,480,164
Leased lines	2,451,320	2,888,863
Fees	1,536,217	659,335
Travelling costs	1,319,152	1,213,838
Maintenance and repairs	1,100,654	1,544,969
Communications	1,023,606	1,225,320
Others	3,752,437	5,110,426
	90,845,487	96,169,825

The commitments assumed by the Group at 31 March 2013 and 2012 related to operational leases are as follows:

	2013	2012
Minimum payments of operational leases:		
2012	-	28,701,991
2013	28,558,643	34,517,982
2014	25,297,453	31,662,992
2015	20,590,586	29,382,974
2016	19,381,528	25,738,102
2017 onwards	49,271,914	56,494,487
Renewable by periods of one year	12,074,387	3,050,171
	155,174,511	209,548,699

During the period ended at 31 March 2013, an amount of Euro 10,174,492 (2012: Euro 10,982,777) was recorded in the heading 'External supplies and services' related with operational leasing rents, divided between the lines 'Rents' and 'Leased lines'.

20. Financial results

Net financial results for the periods ended at 31 March 2013 and 2012 were made up as follows ((costs) / gains):

	2013	2012
Financial expenses:		
Interest expenses:	(3,758,755)	(3,664,102)
Bank loans	(2,854,140)	(2,695,478)
Securitisation interests	(210,634)	(551,197)
Leasing	(291,672)	(223,399)
Other interests	(402,309)	(194,028)
Foreign exchange losses	(415,733)	(561,349)
Other financial expenses	(365,032)	(240,227)
	(4,539,520)	(4,465,678)
Financial income:		
Interest income	856,845	1,710,354
Foreign exchange gains	645,013	446,727
Others financial gains	3,405	93
	1,505,263	2,157,174

During the periods ended at 31 March 2013 and 2012, the caption 'Financial income: Interest income' includes, mainly, interests earned on treasury applications and interests arising from late collections associated with cases in litigation.

21. Income taxation

Income taxes recognised during the periods ended at 31 March 2013 and 2012 were made up as follows ((costs) / gains):

	2013	2012
Current tax	(582,107)	(459,785)
Tax provision net of reduction (note 16)	(283,696)	(531,402)
Deferred tax assets (note 10)	(3,130,213)	(4,624,123)
Deferred tax liabilities (note 10)	(50,572)	1,359,734
	(4,046,588)	(4,255,576)

22. Related parties

During the periods ended at 31 March 2013 and 2012, the balances and transactions maintained with related parties were mainly associated with the normal operational activity of the Group (providing communications and consultancy services) and to the concession and obtainment of loans.

The most significant balances and transactions with related parties, which are listed in the appendix to this report, during the periods ended at 31 March 2012 and 2013 were as follows:

	Balances at 31 March 2013			
	Accounts receivable	Accounts payable	Treasury applications (note 11)	Other assets / (liabilities)
Holding company				
Sonae SGPS	23,172	16,266	-	(4,794)
Other related companies				
Modelo Continente Hipermercados, S.A.	726,711	20,688	-	72,389
Worten	1,412,045	160,724	-	(612,595)
Sonaecenter II	672,720	299,407	-	(112,061)
Sierra Portugal	920,931	24,012	-	148,034
Raso Viagens	59,646	446,683	-	39,737
SC-Sociedade de Consultadoria	174,670	111	-	(143,050)
Sonae Indústria PCDM	560,087	-	-	28,187
Sonae Investments BV	-	-	11,810,000	1,402
France Telecom	53,951	3,075,306	-	(2,812,299)
	4,603,933	4,043,197	11,810,000	(3,395,050)
	Balances at 31 March 2012			
	Accounts receivable	Accounts payable	Treasury applications (note 11)	Other assets / (liabilities)
Holding company				
Sonae SGPS	20,939	-	-	5,617
Other related companies				
Modelo Continente Hipermercados, S.A.	957,927	642,292	-	(477,355)
Worten	2,322,444	-	-	(524,682)
Sonaecenter II	832,795	330,990	-	(73,705)
Sierra Portugal	1,037,284	29,686	-	(508,119)
Raso Viagens	96,798	268,462	-	(90,287)
SC-Sociedade de Consultadoria	246,808	1,797	-	(85,757)
Sonae Indústria PCDM	290,430	-	-	31,271
Sonae Investments BV	-	-	31,810,000	4,959
France Telecom	1,761,098	1,954,613	-	(3,708,654)
	7,566,523	3,227,840	31,810,000	(5,426,712)
	Transactions at 31 March 2013			
	Sales and services rendered	Supplies and services received (note 19)	Interest and similar income / (expense)	Supplementary income
Holding company				
Sonae SGPS	6,169	-	-	-
Other related companies				
Modelo Continente Hipermercados, S.A.	809,534	362,866	-	40,659
Worten	517,623	81,233	-	7
Sonaecenter II	1,301,518	286,944	-	-
Sierra Portugal	1,618,800	282,015	-	4
Raso Viagens	80,563	685,674	-	-
SC-Sociedade de Consultadoria	358,945	-	-	-
Sonae Indústria PCDM	424,294	-	-	-
Sonae Investments BV	-	-	3,809	-
France Telecom	3,464,897	4,917,083	-	-
	8,582,343	6,615,815	3,809	40,670

	Transactions at 31 March 2012			
	Sales and services rendered	Supplies and services received (note 19)	Interest and similar income / (expense)	Supplementary income
Holding company				
Sonae SGPS	(5,970)	4,500	119,568	-
Other related companies				
Modelo Continente Hipermercados, S.A.	1,676,019	623,454	-	112,143
Worten	241,407	484,566	-	-
Sonaecenter II	1,733,776	235,496	-	-
Sierra Portugal	1,384,667	238,007	-	(57)
Raso Viagens	72,675	456,179	-	-
SC-Sociedade de Consultadoria	225,340	-	-	-
Sonae Indústria PCDM	442,632	-	-	-
Sonae Investments BV	-	-	304,031	-
France Telecom	3,222,602	3,532,357	-	-
	8,993,147	5,574,559	423,599	112,086

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

All the above transactions were made at market prices.

Accounts receivable and payable to related companies will be settled in cash and are not covered by guarantees. During the periods ended at 31 March 2013 and 2012, 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.

23. Guarantees provided to third parties

Guarantees provided to third parties at 31 March 2013 and 2012 were as follows:

Company	Beneficiary	Description	2013	2012
Optimus	ANACOM	Acquisition of Spectrum for 4th generation	24,000,000	30,000,000
Optimus, Sonaecom, Sontária and Público	Direção de Contribuições e Impostos (Portuguese tax authorities)	IRC, IS, IVA, RF – Tax assessment	9,015,764	7,181,241
WeDo	Espírito Santo Bank	Bank loan (note 14)	5,960,562	-
Sonaecom and Optimus	Direção de Contribuições e Impostos (Portuguese tax authorities)	VAT Reimbursements	5,955,731	7,236,118
We Do, WeDo Brasil and WeDo Egypt	Digi Telecomunications; Emirates Telecom. Corp.; Telefonica Moviles Chile; Etisalat; Scotia Leasing Panama; Pak Telecom Mobile	Completion of work to be done	1,237,557	587,597
We Do, Saphety and Digitmarket	IAPMEI	'HERMES' project - QREN	291,797	417,797
Optimus	Câmara Municipal de Coimbra, Lisboa, Elvas, Mealhada, Barcelos, Chaves, Covilhã, Sintra, Loures and Oeiras (Coimbra, Lisboa, Elvas, Mealhada, Barcelos, Chaves, Covilhã, Sintra, Loures and Oeiras Municipalities)	Completion of work to be done	87,476	241,142
Optimus	Turismo do Porto e Norte	Contests	-	480,000
Optimus	Governo Civil de Lisboa (Lisbon Government Civil)	Guarantee the sweepstakes plan complete fulfilment	-	104,650
Several	Others		1,240,509	1,128,338
			47,789,396	47,376,883

In addition to these guarantees were set up 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 9,249,232.

At 31 March 2013, 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.

24. Information by business segment

The following business segments were identified for the periods ended at 31 March 2013 and 2012:

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

These segments were identified taking into consideration the following criteria/conditions: the fact of being group units that develop activities where we can separately identify revenues and expenses, for which financial information is separately developed and their operating results are regularly reviewed by management and over which decisions are made. For example, decisions about allocation of resources, for having similar products/services and also taking into consideration the quantitative threshold (in accordance with IFRS 7).

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

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

Inter-segment transactions during the periods ended at 31 March 2013 and 2012 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.

The Telecommunications segment, at 31 March 2013 and 2012, was prepared assuming that the group Optimus structure at 1 January 2011 corresponded to the structure of the group at 31 December 2012, which was reflected in the calculation of goodwill on that date.

Overall information by business segment at 31 March 2013 and 2012, 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		Subtotal		Eliminations		Total	
	March 2013	March 2012 (pro forma)	March 2013	March 2012	March 2013	March 2012	March 2013	March 2012	March 2013	March 2012	March 2013	March 2012	March 2013	March 2012
Revenues:														
Sales and services rendered	166,087,924	176,712,913	4,410,771	4,971,004	26,508,905	24,224,943	876,497	964,421	197,884,097	206,873,281	(3,749,932)	(4,421,768)	194,134,165	202,451,513
Reversal of provisions	55,661	6,125	-	-	11,057	18,075	706	-	67,424	24,200	-	-	67,424	24,200
Other operating revenues	2,768,031	2,624,378	40,862	69,631	240,883	513,794	26,034	30,884	3,075,810	3,238,687	(1,069,441)	(931,986)	2,006,369	2,306,701
Total revenues	168,911,616	179,343,416	4,451,633	5,040,635	26,760,845	24,756,812	903,237	995,305	201,027,331	210,136,168	(4,819,373)	(5,351,788)	196,207,958	204,784,380
Depreciation and amortisation	(34,426,996)	(33,617,798)	(228,421)	(262,114)	(958,635)	(1,337,828)	(17,343)	(17,253)	(35,631,395)	(35,234,993)	(477,006)	(1,545,556)	(36,108,401)	(36,780,549)
Provisions and impairment losses	(3,922,828)	(5,512,374)	-	-	(180,610)	(142,094)	(100,465)	(15,388)	(4,203,903)	(5,669,856)	-	-	(4,203,903)	(5,669,856)
Net operating income / (loss) for the segment	24,819,755	24,785,114	(770,878)	(1,058,540)	2,492,633	1,068,166	(444,510)	(229,183)	26,097,000	24,565,557	(581,696)	(1,035,913)	25,515,304	23,529,644
Interest income	831,279	1,173,964	6,638	15,388	39,576	61,472	6,250,386	3,493,140	7,127,878	4,743,964	(6,271,033)	(3,033,609)	856,845	1,710,354
Interest expenses	(6,397,130)	(1,947,611)	(97,845)	(89,925)	(252,541)	(220,733)	(3,071,753)	(3,740,799)	(9,819,269)	(5,999,067)	6,060,514	2,335,013	(3,758,755)	(3,664,102)
Gains and losses in associated companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other financial results	(257,333)	(141,614)	(1,073)	(3,035)	222,705	(137,829)	22,777,926	85,606,090	22,742,225	85,323,612	(22,874,572)	(85,678,368)	(132,347)	(354,756)
Income taxation	(3,218,506)	(4,107,073)	233,851	283,915	(834,874)	(765,516)	(187,655)	91,896	(4,007,184)	4,496,778	(39,404)	241,202	(4,046,588)	(4,255,576)
Consolidated net income/(loss) for the period	15,778,066	19,762,780	(629,307)	(852,197)	1,667,499	5,560	25,324,394	85,221,145	42,140,652	104,137,288	(23,706,193)	(87,171,724)	18,434,459	16,965,564
Attributable to:														
Shareholders of parent company	15,778,066	19,762,780	(629,307)	(852,197)	1,670,382	25,148	25,324,394	85,221,145	42,143,535	104,156,876	(23,716,666)	(87,179,335)	18,426,869	16,977,541
Non-controlling interests	-	-	-	-	(2,883)	(19,588)	-	-	(2,883)	(19,588)	10,473	7,611	7,590	(11,977)
Assets:														
Tangible and intangible assets and goodwill	1,503,412,660	1,518,982,314	3,808,601	3,994,662	77,334,433	67,660,069	288,471	346,439	1,584,844,165	1,590,983,484	(115,916,860)	(108,799,226)	1,468,927,305	1,482,184,258
Inventories	14,713,618	5,408,757	513,069	693,388	209,289	757,709	-	-	15,435,976	6,859,854	-	-	15,435,976	6,859,854
Financial investments	-	-	212,954	209,829	2,494	2,494	1,058,816,760	1,127,542,297	1,059,032,208	1,127,754,620	(1,058,816,760)	(1,127,542,297)	215,448	212,323
Other non-current assets	94,402,692	93,070,250	3,570	3,570	7,693,309	8,588,992	514,791,506	493,466,257	616,891,077	595,129,069	(516,834,412)	(495,555,227)	100,056,665	99,573,842
Other current assets of the segment	217,385,423	225,864,721	8,261,576	7,974,232	51,277,701	43,473,954	154,831,320	164,124,069	431,756,020	440,402,522	(154,974,902)	(130,316,254)	276,781,118	310,086,268
Liabilities:														
Liabilities of the segment	791,375,279	830,936,347	16,955,248	18,495,738	73,024,493	80,092,698	367,961,926	433,989,875	1,249,316,946	1,208,905,206	(489,085,953)	(362,800,039)	760,230,993	846,105,167
CAPEX	23,351,619	25,484,700	94,609	131,071	1,416,619	766,204	15,260,284	50,360	40,123,131	26,432,335	(15,525,007)	(868,533)	24,598,124	25,563,802

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

	Mobile network		Fixed network and internet		Eliminations		Telecommunications	
	March 2013	March 2012	March 2013	March 2012	March 2013	March 2012	March 2013	March 2012
Income:								
Sales and services rendered	117,587,084	131,473,954	53,873,264	53,400,503	(5,372,424)	(8,161,544)	166,087,924	176,712,913
Other operating revenues	6,165,388	6,806,116	207,429	174,626	(3,549,125)	(4,350,239)	2,823,692	2,630,503
Total revenues	123,752,472	138,280,070	54,080,693	53,575,129	(8,921,549)	(12,509,817)	168,911,616	179,343,416
Depreciation and amortisation	(27,097,891)	(25,419,275)	(7,289,338)	(8,137,330)	(39,767)	(61,193)	(34,426,996)	(33,617,798)
Operational results of the segments	28,729,340	29,937,773	(3,857,332)	(5,080,840)	(52,253)	(71,819)	24,819,755	24,785,114
Assets:								
Tangible and intangible assets	813,398,531	846,816,827	124,947,386	107,098,744	-	-	938,345,917	953,915,571
Inventories	13,701,032	4,586,006	1,012,586	840,751	-	-	14,713,618	5,408,757
Financial investments	-	-	-	-	-	-	-	-
CAPEX	18,866,494	19,819,973	4,516,455	4,253,700	(31,330)	1,411,027	23,351,619	25,484,700

During the periods ended at 31 March 2013 and 2012, the inter-segments sales and services were as follows:

	Telecommunications	Multimedia	Information Systems	Holding Activities
2013				
Telecommunications	-	-	2,580,789	779,235
Multimedia	40,778	-	10,221	35,203
Information Systems	203,647	-	-	71,976
Holding Activities	23,764	900	3,419	-
External trade debtors	165,819,735	4,409,871	23,914,476	(9,917)
	166,087,924	4,410,771	26,508,905	876,497
2012				
Telecommunications	-	-	2,804,540	826,779
Multimedia	256,163	-	8,157	42,892
Information Systems	355,953	15,025	-	88,800
Holding Activities	21,478	1,391	888	-
External trade debtors	176,079,617	4,954,588	21,411,358	5,950
	176,713,211	4,971,004	24,224,943	964,421

During the periods ended at 31 March 2013 and 2012, sales and services rendered of the several segments were obtained predominantly in the Portuguese market, this market represents more than 90% of revenue for the segments of Telecommunications, Multimedia and Activities Holding.

During the period ended at 31 March 2013, also for the Information Systems segment the Portuguese market is dominant, accounting for 48.3% of revenue (58.3% in 2012) followed by the Brazilian and American markets, representing 8.2 % and 7.6% of revenue (7.4% and 0.1% in 2012), respectively.

25. Earnings per share

Earnings per share, basic and diluted, are calculated by dividing the consolidated net income attributable to the Group (Euro 18,426,869 in 2013 and Euro 16,977,541 in 2012) by the average number of shares outstanding during the periods ended at 31 March 2013 and 2012, net of own shares (361,738,638 in 2013 and 358,543,225 in 2012).

26. 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-SGPS, S.A. shares. The vesting occurs three years after the award of each plan, assuming that the employees are still employed in the Group.

The Sonaecom plans outstanding at 31 March 2013 can be summarised as follows:

	Vesting period			31 March 2013	
	Share price at award date*	Award date	Vesting date	Aggregate number of participations	Number of shares
Sonaecom shares					
2009 Plan	1.685	10-Mar-10	08-Mar-13	-	-
2010 Plan	1.399	10-Mar-11	10-Mar-14	360	2,902,842
2011 Plan	1.256	09-Mar-12	10-Mar-15	357	3,031,393
2012 Plan	1.505	08-Mar-12	10-Mar-16	356	2,388,508
Sonae SGPS shares					
2009 Plan	0.761	10-Mar-10	08-Mar-13	-	-
2010 Plan	0.811	10-Mar-11	10-Mar-14	7	384,120
2011 Plan	0.401	09-Mar-12	10-Mar-15	7	761,890
2012 Plan	0.709	08-Mar-12	10-Mar-16	7	358,344

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

During the period ended at 31 March 2013, 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 2012:				
Unvested	731	6,249,578	18	1,488,252
Total	731	6,249,578	18	1,488,252
Movements in the period:				
Awarded	356	2,388,508	7	355,387
Vested	(4)	(247,423)	(4)	(342,242)
Cancelled / elapsed/transfers ⁽¹⁾	(10)	(67,920)	-	2,957
Outstanding at 31 March 2013:				
Unvested	1,073	8,322,743	21	1,504,354
Total	1,073	8,322,743	21	1,504,354

(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 2010 and 2012, the responsibility is calculated taking into consideration the share price at award date of each plan. For 2011 Sonaecom shares plan, the Company signed with Sonae-SGPS, S.A. a contract that agrees to the transfer of Sonaecom SGPS shares for employees and board members of the Group as requested of Sonaecom and under the MTIP of Sonaecom, and the liabilities are calculated based on the price fixed in the contract. The responsibility for the three share plans was recorded under the heading 'Medium Term Incentive Plans Reserve'. For the Sonae SGPS share plans, except for one plan, 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'.

The detail of the aforementioned hedging contracts is as follows:

	Sonae SGPS shares		Sonaecom shares
	2010 Plan	2011 Plan	2011 Plan
Notional value	257,574	323,727	3,291,520
Maturity	Mar-14	Mar-15	Dec-16
Level of inputs in the hierarchy of fair value	Level 2		
Valuation method	Current replacement cost		
Fair value*	16,776	200,206	1,387,220

* Used the share price of March, 28 in the determination of the fair value.

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 year ended at 31 March 2013, were as follows:

	Sonaecom shares	Sonae SGPS shares	Total
Costs recognised in previous years	31,734,761	4,263,985	35,998,746
Costs recognised in the period	885,652	73,845	959,497
Costs of plans vested in previous years	(28,024,748)	(3,788,762)	(31,813,510)
Costs of plans vested in the period	(486,635)	(258,747)	(745,382)
Total cost of the plans	4,109,030	290,321	4,399,351
Responsibility of plans	5,496,250	507,303	6,003,553
Fair value of hedging contracts	(1,387,220)	(216,982)	(1,604,202)
Recorded in 'Other current liabilities'	25,021	166,452	191,473
Recorded in 'Other non-current liabilities'	3,951	123,869	127,820
Recorded in reserves	4,080,058	-	4,080,058

27. Other matters

At 31 March 2013, 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 – Comunicações, S.A. and, essentially, the operator TMN – Telecomunicações Móveis, 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 ANACOM, at April 2012, 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.

Following the announcement made, on 14 December 2012, between Sonaecom SGPS, SA, Kento Holding Limited and Jadeium BV (currently named Unitel International Holdings, BV, collectively referred to as 'Kento/Jadeium'), of having reached an agreement to recommend to the Boards of Zon Multimédia – Serviços de Telecomunicações e Multimédia, SGPS, S.A. ('Zon') and Optimus SGPS, SA a merger between the two companies, on 11 January 2013, Sonaecom SGPS, S.A. carried out a capital increase in kind, transferring 81.807% of its financial participation in Optimus SGPS, S.A. to ZOPT, conditional upon completion of the merger.

At 21 January 2013, it was announced, by the Boards of Directors of both companies, the approval of the merger project. However, the transaction is still subject to approval of the shareholders of both companies. On 7 March 2013, Sonaecom informed, on behalf of its affiliated company Optimus, that it was approved at the extraordinary shareholder meeting the merger project by incorporation between Optimus SGPS, S.A. and Zon Multimédia – Serviços de Telecomunicações e Multimédia, SGPS, S.A., and respective schedules, dated 21 January 2013.

The implementation of the merger is conditional upon the prior fulfillment of the non-opposition from the Competition Authority to the merger, in accordance with the terms of the Merger Project, the issuance of a statement waiving the obligation to launch a mandatory takeover bid by the Portuguese Securities and Exchange Commission (authorization of derogation request granted in April 2013), and the fulfillment of the remaining administrative and corporate formalities applicable or necessary to the completion of the merger, in accordance with the law and the terms laid down in the Merger Project.

At 15 February 2013, Sonae and France Télécom ('FT-Orange') have executed an agreement whereby, respectively, a call and put option is granted over the 20% stake in Sonaecom's share capital presently held by a subsidiary of FT-Orange. Sonae's call option may be exercised during the subsequent 18 months and FT-Orange's put option within the 3 months subsequent to the end of such 18 months' period. The price for the exercise of both options is of Euro 98.9 million, which may be increased up to Euro 113.5 million in case Sonaecom or Optimus participate in any material transaction of consolidation or restructuring of the telecommunications sector in Portugal which is announced within the subsequent 24 months. This agreement is subject to the condition that the Portuguese Securities Commission (CMVM) confirms that no concerted exercise of influence results from this agreement and that the shares held by Sonae are not attributable to FT-Orange, thereby removing the legal presumption of article 20, paragraph 4, of the Portuguese Securities Code.

28. Subsequent Events

At 18 April 2013, the Portuguese Securities Commission (CMVM) authorized the resolution of waiving the obligation to launch a mandatory takeover bid in the merger between Optimus SGPS and Zon.

At April 2013 was established the company Saphety - Transacciones Eletronicas, SAS, based in Colombia and held by Saphety Level – Trusted Services, S.A..

These consolidated financial statements were approved by the Board of Directors on 29 April 2013.

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 Trigo 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 Gonçalves 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	BA Capital, SGPS, SA
3shoppings – Holding,SGPS, S.A.	BB Food Service, S.A.
8ª Avenida Centro Comercial, SA	Beralands BV
ADD Avaliações Engenharia de Avaliações e Perícias 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
Aglom Investimentos, Sgps, S.A.	BOM MOMENTO – Comércio Retalhista, SA
Aglom-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	CCCCB 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,Urb., 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.
Arrábidasshopping – 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.
Avenida M – 40, S.A.	Contimobe – Imobil.Castelo Paiva, S.A.
Azulino Imobiliária, S.A.	Continente Hipermercados, S.A.
BA Business Angels, SGPS, SA	Contry Club da Maia-Imobiliária, S.A.

Cooper Gay Swett & Crawford Lt	Guimarãesshopping – Centro Comercial, S.A.
Craiova Mall BV	Harvey Dos Iberica, S.L.
Cronosaúde – Gestão Hospitalar, S.A.	Herco Consultoria de Riscos e Corretora de Seguros Ltda
Cumulativa – Sociedade Imobiliária, S.A.	HighDome PCC Limited
Darbo S.A.S	Iberian Assets, S.A.
Deutsche Industrieholz GmbH	Igimo – Sociedade Imobiliária, S.A.
Discovery Sports, SA	Iginha – Sociedade Imobiliária, S.A.
Dortmund Tower GmbH	Imoarea – Invest. Turísticos, SGPS, S.A.
Dos Mares – Shopping Centre B.V.	Imobiliária da Cacula, S.A.
Dos Mares – Shopping Centre, S.A.	Imoclub – Serviços Imobiliários, S.A.
Ecociclo – Energia e Ambiente, S.A.	Imoconti – Soc.Imobiliária, S.A.
Ecociclo II	Imodivor – Sociedade Imobiliária, S.A.
Edições Book.it, 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.	Imoplamaç Gestão de Imóveis, S.A.
Equador & Mendes, Lda	Imoponte – Soc.Imobiliária, S.A.
Espimaia – Sociedade Imobiliária, S.A.	Imoresort – Sociedade Imobiliária, S.A.
Estação Viana – Centro Comercial, S.A.	Imoresultado – Soc.Imobiliária, S.A.
Estêvão Neves – Hipermarcados Madeira, S.A.	Imosedas – Imobiliária e Serviços, S.A.
Euroresinas – Indústrias Químicas, S.A.	Imosistema – Sociedade Imobiliária, S.A.
Farmácia Selecção, S.A.	Imosona II
Fashion Division Canárias, SL	Impaper Europe GmbH & Co. KG
Fashion Division, S.A.	Implantação – Imobiliária, S.A.
Fozimo – Sociedade Imobiliária, S.A.	Infocfield – Informática, S.A.
Fozmassimo – Sociedade Imobiliária, S.A.	Infratroia, EM
Freccia Rossa – Shopping Centre S.r.l.	Inparsi – Gestão Galeria Comercial, S.A.
Frieengineering International Ltda	Inparvi SGPS, S.A.
Fundo de Invest. Imobiliário Imosedo	Integrum – Energia, SA
Fundo I.I. Parque Dom Pedro Shop.Center	Integrum Colombo Energia, S.A.
Fundo Invest.Imob.Shopp. Parque D.Pedro	Integrum Martim Longo - Energia, S.A.
Gaiashopping I – Centro Comercial, S.A.	Interlog – SGPS, S.A.
Gaiashopping II – Centro Comercial, S.A.	Invesaude - Gestão Hospitalar S.A.
GHP GmbH	Ioannina Development of Shopping Centres, SA
Gli Orsi Shopping Centre 1 Srl	Isoroy SAS
Glunz AG	La Farga – Shopping Center, SL
Glunz Service GmbH	Laminate Park GmbH Co. KG
Glunz UK Holdings Ltd	Land Retail B.V.
Glunz Uka GmbH	Larim Corretora de Resseguros Ltda
GMET, ACE	Larissa Develop. Of Shopping Centers, S.A.
Golf Time – Golfe e Invest. Turísticos, S.A.	Lazam – MDS Corretora e Administradora de Seguros, S.A.

LCC LeiriaShopping Centro Comercial SA Le Terrazze - Shopping Centre 1 Srl Libra Serviços, Lda. Lidergraf - Artes Gráficas, Lda. Loop5 Shopping Centre GmbH Loureshopping - Centro Comercial, S.A. Luz del Tajo - Centro Comercial S.A. Luz del Tajo B.V. Madeirashopping - Centro Comercial, S.A. MaiaShopping - Centro Comercial, S.A. Maiequipa - Gestão Florestal, S.A. Marcas do Mundo - Viag. e Turismo Unip, Lda Marcas MC, ZRT Marina de Tróia S.A. Marinamagic - Expl.Cent.Lúdicos Marít, Lda Marmagno - Expl.Hoteleira Imob., S.A. Martimope - Sociedade Imobiliária, S.A. Marvero - Expl.Hoteleira Imob., S.A. MDS Affinity - Sociedade de Mediação, Lda MDS Africa SGPS, S.A. MDS Consultores, S.A. MDS Corretor de Seguros, S.A. MDS Malta Holding Limited MDS SGPS, SA MDSAUTO - Mediação de Seguros, SA Megantic BV Miral Administração e Corretagem de Seguros Ltda MJLF - Empreendimentos Imobiliários, S.A. Mlearning - Mds Knowledge Centre, Unip, Lda Modalfa - Comércio e Serviços, S.A. MODALLOOP - Vestuário e Calçado, S.A. Modelo - Dist.de Mat. de Construção, S.A. Modelo Continente Hipermercados, S.A. Modelo Continente Intenational Trade, SA Modelo Hiper Imobiliária, S.A. Modelo.com - Vendas p/Correspond., S.A. Movelpartes - Comp.para Ind.Mobiliária, S.A. Movimento Viagens - Viag. e Turismo U.Lda Mundo Vip - Operadores Turísticos, S.A. Munster Arkaden, BV Norscut - Concessionária de Scut Interior Norte, S.A. Norteshopping - Centro Comercial, S.A. Norteshopping Retail and Leisure Centre, BV Nova Equador Internacional, Ag.Viag.T, Ld Nova Equador P.C.O. e Eventos	Operscut - Operação e Manutenção de Auto-estradas, S.A. OSB Deutschland GmbH PantheonPlaza BV Paracentro - Gest.de Galerias Com., S.A. Pareuro, BV Park Avenue Develop. of Shop. Centers S.A. Parque Atlântico Shopping - C.C., S.A. Parque D. Pedro 1 B.V. Parque D. Pedro 2 B.V. Parque de Famalicão - Empr. Imob., S.A. Parque Principado SL Pátio Boavista Shopping Ltda. Pátio Campinas Shopping Ltda Pátio Goiânia Shopping Ltda Pátio Londrina Empreend. e Particip. Ltda Pátio Penha Shopping Ltda. Pátio São Bernardo Shopping Ltda Pátio Sertório Shopping Ltda Pátio Uberlândia Shopping Ltda Peixes do Continente - Ind.Dist.Peixes, S.A. Pharmaconcept - Actividades em Saúde, S.A. PHARMACONTINENTE - Saúde e Higiene, S.A. PJP - Equipamento de Refrigeração, Lda Plaza Éboli B.V. Plaza Éboli - Centro Comercial S.A. Plaza Mayor Holding, SGPS, SA Plaza Mayor Parque de Ócio BV Plaza Mayor Parque de Ocio, SA Plaza Mayor Shopping BV Plaza Mayor Shopping, SA Ploi Mall BV Plysorol, BV Poliface North America PORTCC - Portimãoshopping Centro Comercial, SA Porturbe - Edifícios e Urbanizações, S.A. Praedium - Serviços, S.A. Praedium II - Imobiliária, S.A. Praedium SGPS, S.A. Predicomercial - Promoção Imobiliária, S.A. Prédios Privados Imobiliária, S.A. Predisedas - Predial das Sedas, S.A. Pridelease Investments, Ltd Proj. Sierra Germany 4 (four) - Sh.C.GmbH Proj.Sierra Germany 2 (two) - Sh.C.GmbH Proj.Sierra Italy 1 - Shop.Centre Srl
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Proj.Sierra Italy 3 – Shop. Centre Srl	SC, SGPS, SA
Proj.Sierra Italy 5 – Dev. Of Sh.C.Srl	SCS Beheer, BV
Project SC 1 BV	SDSR - Sports Division 2, S.A.
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	Serra Shopping – Centro Comercial, S.A.
Project Sierra 9 BV	Sesagest – Proj.Gestão Imobiliária, S.A.
Project Sierra Brazil 1 B.V.	Sete e Meio – Invest. Consultadoria, S.A.
Project Sierra Charagionis 1 S.A.	Sete e Meio Herdades – Inv. Agr. e Tur., S.A.
Project Sierra Four, SA	Shopping Centre Parque Principado B.V.
Project Sierra Germany Shop. Center 1 BV	Shopping Penha B.V.
Project Sierra Germany Shop. Center 2 BV	Siaf – Soc.Iniciat.Aprov.Florestais - Energia, S.A.
Project Sierra Spain 1 B.V.	SIAL Participações Ltda
Project Sierra Spain 2 – Centro Comer. S.A.	Sierra Asia Limited
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 B.V.	Sierra Charagionis Propert.Management S.A.
Project Sierra Three Srl	Sierra Corporate Services Holland, BV
Project Sierra Two Srl	Sierra Development Greece, S.A.
Promessa Sociedade Imobiliária, S.A.	Sierra Developments Germany GmbH
Prosa – Produtos e serviços agrícolas, S.A.	Sierra Developments Holding B.V.
Puravida – Viagens e Turismo, S.A.	Sierra Developments Italy S.r.l.
Quorum Corretora de seguros LT	Sierra Developments Romania, Srl
Racionaliz. y Manufact.Florestales, S.A.	Sierra Developments Spain – Prom.C.Com.SL
RASO - Viagens e Turismo, S.A.	Sierra Developments, SGPS, S.A.
RASO, SGPS, S.A.	Sierra Enplanta Ltda
Rio Sul – Centro Comercial, S.A.	Sierra European R.R.E. Assets Hold. B.V.
River Plaza Mall, Srl	Sierra GP Limited
River Plaza, BV	Sierra Investimentos Brasil Ltda
Rochester Real Estate, Limited	Sierra Investments (Holland) 1 B.V.
RSI Corretora de Seguros Ltda	Sierra Investments (Holland) 2 B.V.
S.C. Microcom Doi Srl	Sierra Investments Holding B.V.
Saúde Atlântica – Gestão Hospitalar, S.A.	Sierra Investments SGPS, S.A.
SC – Consultadoria, S.A.	Sierra Italy Holding B.V.
SC – Eng. e promoção imobiliária,SGPS, S.A.	Sierra Management Germany GmbH
SC Aegean B.V.	Sierra Management Italy S.r.l.
SC Assets SGPS, S.A.	Sierra Management Romania, Srl
SC Finance BV	Sierra Management Spain – Gestión C.Com.S.A.
SC Mediterranean Cosmos B.V.	Sierra Management, SGPS, S.A.

Sierra Portugal, S.A.	Sondis Imobiliária, S.A.
SII – Soberana Invest. Imobiliários, S.A.	Sontel BV
SIRS – Sociedade Independente de Radiodifusão Sonora, S.A.	Sontur BV
SISTAVAC, S.A.	Sonvecap BV
SKK – Central de Distr., S.A.	Sopair, S.A.
SKK SRL	Sotáqua – Soc. de Empreendimentos Turist
SKKFOR – Ser. For. e Desen. de Recursos	Spanboard Products, Ltd
Sociedade de Construções do Chile, S.A.	SPF – Sierra Portugal Real Estate, Sarl
Société de Tranchage Isoroy S.A.S.	Spinarq - Engenharia, Energia e Ambiente, SA
Socijofra – Sociedade Imobiliária, S.A.	Spinveste – Gestão Imobiliária SGII, S.A.
Sociloures – Soc.Imobiliária, S.A.	Spinveste – Promoção Imobiliária, S.A.
Soconstrução BV	Sport Retalho España – Servicios Gen., S.A.
Sodesa, S.A.	Sport Zone – Comércio Art.Desporto, S.A.
Soflorin, BV	Sport Zone – Turquia
Soira – Soc.Imobiliária de Ramalde, S.A.	Sport Zone Canárias, SL
Solinca - Eventos e Catering, SA	Sport Zone España-Com.Art.de Deporte,SA
Solinca - Health and Fitness, SA	Spred, SGPS, SA
Solinca – Investimentos Turísticos, S.A.	Stinnes Holz GmbH
Solinfitness – Club Malaga, S.L.	Tableros Tradema, S.L.
Solingen Shopping Center GmbH	Tafiber, Tableros de Fibras Ibéricas, SL
SOLSWIM-Gestão e Expl.Equip.Aquáticos,SA	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.	Têxtil do Marco, S.A.
Sonae Indústria Manag. Serv, SA	Tlantic Portugal – Sist. de Informação, S.A.
Sonae Investimentos, SGPS, SA	Tlantic Sistemas de Informação Ltdª
Sonae Novobord (PTY) Ltd	Todos os Dias – Com.Ret.Expl.C.Comer., S.A.
Sonae RE, S.A.	Tool GmbH
Sonae Retalho Espana – Servicios Gen., S.A.	Torre Ocidente Imobiliária, S.A.
Sonae SGPS, S.A.	Torre São Gabriel – Imobiliária, S.A.
Sonae Sierra Brasil S.A.	TP – Sociedade Térmica, S.A.
Sonae Sierra Brazil B.V.	Troia Market, S.A.
Sonae Sierra, SGPS, S.A.	Tróia Natura, S.A.
Sonae Tafibra Benelux, BV	Troiareort – Investimentos Turísticos, S.A.
Sonae Turismo – SGPS, S.A.	Troiaverde – Expl.Hoteleira Imob., S.A.
Sonae UK, Ltd.	Tulipamar – Expl.Hoteleira Imob., S.A.
Sonaegest – Soc.Gest.Fundos Investimentos	Unishopping Administradora Ltda.
SONAEMC - Modelo Continente, SGPS, S.A.	Unishopping Consultoria Imob. Ltda.

Urbisedas – Imobiliária das Sedas, S.A. Valecenter Srl Valor N, S.A. Vastgoed One – Sociedade Imobiliária, S.A. Vastgoed Sun – Sociedade Imobiliária, S.A. Via Catarina – Centro Comercial, S.A. Viajens y Turismo de Geotur España, S.L. Vistas do Freixo, SA Vuelta Omega, S.L. Weiterstadt Shopping BV	World Trade Center Porto, S.A. Worten – Equipamento para o Lar, S.A. Worten Canárias, SL Worten España, S.A. ZIPPY - Comércio e Distribuição, SA ZIPPY - Comercio y Distribución, S.A. Zippy Turquia Zubiarte Inversiones Inmobiliarias, S.A. ZYEVOOLUTION-Invest.Desenv.,SA.
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FT Group Companies	
France Telecom, S.A.	Atlas Services Belgium, S.A.

9.3. Sonaecom individual financial statements

Balance sheets

For the periods ended at 31 March 2013 and 2012 and for the year ended at 31 December 2012

(Amounts expressed in Euro)	Notes	March 2013	March 2012	December 2012
Assets				
Non-current assets				
Tangible assets	1.a, 1.e and 2	279,863	344,541	296,504
Intangible assets	1.b and 3	8,609	1,898	9,310
Investments in Group companies	1.c and 5	1,073,229,642	1,097,528,929	1,072,873,096
Other non-current assets	1.c, 1.m, 4, 6 and 18	514,120,246	544,399,752	521,421,792
Total non-current assets		1,587,638,360	1,642,275,120	1,594,600,702
Current assets				
Other current debtors	1.d, 1.f, 4, 8 and 18	32,996,304	85,341,918	10,115,242
Other current assets	1.m, 4 and 18	3,618,708	7,393,032	3,687,639
Cash and cash equivalents	1.d, 1.g, 4, 9 and 18	104,013,088	31,553,676	103,717,414
Total current assets		140,628,100	124,288,626	117,520,295
Total assets		1,728,266,460	1,766,563,746	1,712,120,997
Shareholder' funds and liabilities				
Shareholders' funds				
Share capital	10	366,246,868	366,246,868	366,246,868
Own shares	1.p and 11	(7,286,681)	(7,289,051)	(6,299,699)
Reserves	1.o	973,208,126	894,968,976	870,193,067
Net income / (loss) for the period		25,227,665	76,677,097	103,229,835
Total Shareholders' funds		1,357,395,978	1,330,603,890	1,333,370,071
Liabilities				
Non-current liabilities				
Medium and long-term loans – net of short-term portion	1.d, 1.h, 1.i, 4, 12.a, and 18	188,995,136	288,831,843	190,239,630
Provisions for other liabilities and charges	1.k, 1.n and 13	177,341	70,934	74,959
Other non-current liabilities	1.m, 1.s and 4	90,987	113,280	174,176
Total non-current liabilities		189,263,464	289,016,057	190,488,765
Current liabilities				
Short-term loans and other loans	1.d, 1.g, 1.h, 1.i, 4, 12.b and 18	179,953,067	145,288,907	186,419,026
Other creditors	1.d, 4, 14 and 18	1,192,014	858,924	828,261
Other current liabilities	1.m, 1.s, 4 and 18	461,937	795,968	1,014,874
Total current liabilities		181,607,018	146,943,799	188,262,161
Total Shareholders' funds and liabilities		1,728,266,460	1,766,563,746	1,712,120,997

The notes are an integral part of the financial statements at 31 March 2013 and 2012.

The Chief Accountant

Patrícia Maria Cruz Ribeiro da Silva

The Board of Directors

Duarte Paulo Teixeira de Azevedo

Miguel Nuno Santos Almeida

Gervais Gilles Pellissier

Ângelo Gabriel Ribeirinho Paupério

António Sampaio e Mello

Jean-François René Pontal

António Bernardo Aranha da Gama Lobo Xavier

David Charles Denholm Hobley

Nuno Manuel Moniz Trigos Jordão

Maria Cláudia Teixeira de Azevedo

Frank Emmanuel Dangeard

Profit and Loss account by nature

For the periods ended at 31 March 2013 and 2012 and for the year ended at 31 December 2012

(Amounts expressed in Euro)	Notes	March 2013	March 2012	December 2012
Services rendered	18	876,497	964,421	3,492,234
Other operating revenues	1.f and 18	26,740	-	319
		903,237	964,421	3,492,553
External supplies and services	1.e, 15 e 18	(677,297)	(505,478)	(2,044,286)
Staff expenses	1.s e 21	(527,816)	(636,782)	(2,248,401)
Depreciation and amortisation	1.a, 1.b, 2 and 3	(17,342)	(17,253)	(68,403)
Provisions and impairment losses	1.k and 13	(100,465)	(15,387)	(15,387)
Other operating costs		(9,707)	(16,774)	(56,689)
		(1,332,627)	(1,191,674)	(4,433,166)
Gains and losses on Group companies	5, 6 and 16	22,875,000	76,988,861	103,388,419
Other financial expenses	1.c, 1.h, 1.i, 1.q, 1.r, 12, 16 and 18	(3,296,479)	(3,829,320)	(14,238,054)
Other financial income	1.q, 9, 16 and 18	6,261,091	3,653,390	14,938,191
Current income / (loss)		25,410,222	76,585,678	103,147,943
Income taxation	1.l, 7 and 17	(182,557)	91,419	81,892
Net income / (loss) for the period		25,227,665	76,677,097	103,229,835
Earnings per share	20			
Including discontinued operations:				
Basic		0.07	0.21	0.29
Diluted		0.07	0.21	0.29
Excluding discontinued operations:				
Basic		0.07	0.21	0.29
Diluted		0.07	0.21	0.29

The notes are an integral part of the financial statements at 31 March 2013 and 2012.

The Chief Accountant

Patrícia Maria Cruz Ribeiro da Silva

The Board of Directors

Duarte Paulo Teixeira de Azevedo	Miguel Nuno Santos Almeida	Gervais Gilles Pellissier
Ângelo Gabriel Ribeirinho Paupério	António Sampaio e Mello	Jean-François René Pontal
António Bernardo Aranha da Gama Lobo Xavier	David Charles Denholm Hobley	Nuno Manuel Moniz Trigos Jordão
Maria Cláudia Teixeira de Azevedo	Frank Emmanuel Dangeard	

Statement of profit and loss and other comprehensive income

For the periods ended at 31 March 2013 and 2012

(Amounts expressed in Euro)	Notes	March 2013	March 2012
Net income / (loss) for the period		25,227,665	76,677,097
Components of other comprehensive income, net of tax		-	-
Comprehensive income for the period		25,227,665	76,677,097

The notes are an integral part of the financial statements at 31 March 2013 and 2012.

The Chief Accountant

Patrícia Maria Cruz Ribeiro da Silva

The Board of Directors

Duarte Paulo Teixeira de Azevedo	Miguel Nuno Santos Almeida	Gervais Gilles Pellissier
Ângelo Gabriel Ribeirinho Paupério	António Sampaio e Mello	Jean-François René Pontal
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Maria Cláudia Teixeira de Azevedo	Frank Emmanuel Dangeard	

Movements in Shareholders' funds

For the periods ended at 31 March 2013 and 2012

(Amounts expressed in Euro)			Reserves							
	Share capital	Own shares (note 11)	Share premium	Legal reserves	Medium Term Incentive Plans reserves (note 21)	Own shares reserves	Other reserves	Total reserves	Net income / (loss)	Total
2013										
Balance at 31 December 2012	366,246,868	(6,299,699)	775,290,377	7,991,192	650,156	6,299,699	79,961,643	870,193,067	103,229,835	1,333,370,071
Appropriation of result of 2012	-	-	-	5,161,492	-	-	98,068,343	103,229,835	(103,229,835)	-
Comprehensive income for the period ended at 31 March 2013	-	-	-	-	-	-	-	-	25,227,665	25,227,665
Delivery of own shares under the Medium Term Incentive Plans	-	354,213	-	-	(406,268)	(354,213)	425,568	(334,913)	-	19,300
Effect of the recognition of the Medium Term Incentive Plans	-	-	-	-	120,137	-	-	120,137	-	120,137
Acquisition of own shares	-	(1,341,195)	-	-	-	1,341,195	(1,341,195)	-	-	(1,341,195)
Balance at 31 March 2013	366,246,868	(7,286,681)	775,290,377	13,152,684	364,025	7,286,681	177,114,359	973,208,126	25,227,665	1,357,395,978

The notes are an integral part of the financial statements at 31 March 2013 and 2012.

The Chief Accountant

Patrícia Maria Cruz Ribeiro da Silva

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Frank Emmanuel Dangeard

For the periods ended at 31 March 2013 and 2012

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

The notes are an integral part of the financial statements at 31 March 2013 and 2012.

The Chief Accountant

Patrícia Maria Cruz Ribeiro da Silva

The Board of Directors

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Cash Flow statements

For the periods ended at 31 March 2013 and 2012

(Amounts expressed in Euro)	March 2013		March 2012	
Operating activities				
Payments to employees	(784,356)		(844,818)	
Cash flows from operating activities	(784,356)		(844,818)	
Payments / receipts relating to income taxes, net	654,018		(196,094)	
Other payments / receipts relating to operating activities, net	4,404,737		1,513,574	
Cash flows from operating activities (1)		4,274,399		472,662
Investing activities				
Receipts from:				
Investments	15,260,284		-	
Dividends	2,980,531		1,030,378	
Loans granted	5,120,000	23,360,815	-	1,030,378
Payments for:				
Investments	(15,260,284)		(50,000)	
Tangible assets	-		(2,446)	
Loans granted	-	(15,260,284)	(3,409,000)	(3,461,446)
Cash flows from investing activities (2)		8,100,531		(2,431,068)
Financing activities				
Receipts from:				
Loans obtained	20,310,000	20,310,000	-	-
Payments for:				
Interest and similar expenses	(4,144,058)		(5,002,751)	
Acquisition of own shares	(1,039,021)		(738,425)	
Loans obtained	(30,000,000)	(35,183,079)	(22,075,000)	(27,816,176)
Cash flows from financing activities (3)		(14,873,079)		(27,816,176)
Net cash flows (4)=(1)+(2)+(3)		(2,498,149)		(29,774,582)
Cash and cash equivalents at the beginning of the period		103,717,414		61,289,703
Cash and cash equivalents at period end		101,219,265		31,515,121

The notes are an integral part of the financial statements at 31 March 2013 and 2012.

The Chief Accountant

Patrícia Maria Cruz Ribeiro da Silva

The Board of Directors

Duarte Paulo Teixeira de Azevedo

Miguel Nuno Santos Almeida

Gervais Gilles Pellissier

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Frank Emmanuel Dangeard

Notes to the cash flow statements

For the periods ended at 31 March 2013 and 2012

	March 2013	March 2012
1. Acquisition or sale of subsidiaries or other businesses		
a) Other business activities		
Reimburse of supplementary capital from PCJ - Público, Comunicação e Jornalismo, S.A.	7,624,773	-
Reimburse of supplementary capital from Público- Comunicação Social, S.A.	6,489,365	-
Reimburse of supplementary capital from Miauger - Organização e Gestão de Leilões Electrónicos, S.A.	1,146,146	-
	15,260,284	-
b) Other business activities		
Establishment of Sonaecom - Serviços Partilhados, S.A.	-	50,000
Share capital increase of PCJ - Público, Comunicação e Jornalismo, S.A.	7,624,773	-
Share capital increase of Público - Comunicação Social, S.A.	6,489,365	-
Share capital increase of Miauger - Organização e Gestão de Leilões Electrónicos, S.A.	1,146,146	-
	15,260,284	50,000
2. Details of cash and cash equivalents		
Cash in hand	1,147	10,541
Cash at bank	23,940	34,135
Treasury applications	103,988,000	31,509,000
Overdrafts	(2,793,822)	(38,555)
Cash and cash equivalents	101,219,265	31,515,121
Overdrafts	2,793,822	38,555
Cash assets	104,013,087	31,553,676
3. Description of non-monetary financing activities		
a) Bank credit obtained and not used	50,940,000	111,000,000
b) Purchase of company through the issue of shares	Not applicable	Not applicable
c) Conversion of loans into shares	Not applicable	Not applicable

The notes are an integral part of the financial statements at 31 March 2013 and 2012.

The Chief Accountant

Patrícia Maria Cruz Ribeiro da Silva

The Board of Directors

Duarte Paulo Teixeira de Azevedo

Miguel Nuno Santos Almeida

Gervais Gilles Pellissier

Ângelo Gabriel Ribeirinho Paupério

António Sampaio e Mello

Jean-François René Pontal

António Bernardo Aranha da Gama Lobo Xavier

David Charles Denholm Hobley

Nuno Manuel Moniz Trigos Jordão

Maria Cláudia Teixeira de Azevedo

Frank Emmanuel Dangeard

9.4. Notes to the individual financial statements

SONAECOM, SGPS, 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, SGPS, 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, SGPS, 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-, SGPS, 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, SGPS, 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, 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 O93X – 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 taking into account 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, with the exception of the start dates of the adoption of the standards indicated below.

The following standards, interpretations, amendments and revisions have been approved (endorsed) by the European Union and have mandatory application to financial years beginning on or after 1 January 2013 and were first adopted in the period ended at 31 March 2013:

Standard / Interpretation	Effective date (annual periods beginning on or after)
IFRS 1 - Amendments (Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters)	1-Jul-11
The amendments: 1) replace the fixed dates in the derecognition exception and the exception related to the initial fair value measurement of financial instruments; and 2) add a deemed cost exemption to IFRS 1 that an entity can apply at the date of transaction to IFRSs after being subject to severe hyperinflation.	
IFRS 13 (Fair Value Measurement)	1-Jan-13
It will improve consistency and reduce complexity by providing, for the first time, a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs.	
IAS 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 19 - Amendments (Employee Benefits)	1-Jan-13
The amendments make important improvements by eliminating an option to defer the recognition of gains and losses, known as the 'corridor method', improving comparability and faithfulness of presentation, streamlining the presentation of changes in assets and liabilities arising from defined benefit plans and enhancing the disclosure requirements for defined benefit plans.	
IAS 1 - Amendments (Presentation of Items of Other Comprehensive Income)	1-Jul-12
The amendments to IAS 1 require companies preparing financial statements in accordance with IFRSs to group together items within OCI.	
IFRS 7 - Amendments (Disclosures of Financial Instruments)	1-Jan-13
The amendments require additional disclosures regarding financial instruments, particularly, information about those subject to compensation agreements and similars.	

Standard / Interpretation	Effective date (annual periods beginning on or after)
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.	
IFRS 1 - Amendments (Government Loans)	1-Jan-13
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.	
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.	
The application of these standards and interpretations had no material effect on the financial statements of the Company.	
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)
IFRS 10 (Consolidated Financial Statements)	1-Jan-13(*)
Builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.	

Standard / Interpretation	Effective date (annual periods beginning on or after)
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(*)
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- Admendments (Offsetting Financial Assets and Financial Liabilities) IAS 32 is amended to refer to the disclosure requirements in respect of offsetting arrangements.	1-Jan-14

(*) In accordance with the EU Regulation which approves the adoption of IFRS 10, 11 and 12 and the amendments to IAS 27 and IAS 28, an entity shall adopt these standards in the periods beginning on or after January 1, 2014. The early adoption is however permitted.

The Company did not proceed to early application of any of these standards on the financial statements for the period ended at 31 March 2013.

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

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 9 (Financial Instruments) This standard is the first step in the project to replace IAS 39, and it introduces new requirements for classifying and measuring financial assets.	1-Jan-15
Amendments to IFRS 10, IFRS 12 and IAS 27 (Investment Entities); The amendments apply to a particular class of business that qualify as investment entities. The amendments provide an exception to the consolidation requirements in IFRS 10.	1-Jan-14

These standards have not yet been approved ('endorsed') by the European Union and, as such, were not adopted by the Company for the period ended at 31 March 2013. Their application is not yet mandatory.

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

The accounting policies and measurement criteria adopted by the Company at 31 March 2013 are comparable with those used in the preparation of the individual financial statements at 31 December 2012.

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 period 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	5-20
Plant and machinery	5-8
Fixtures and fittings	3-8

Current maintenance and repair costs of tangible assets are recorded as costs in the period 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 to six 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 period 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.

(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.

Tangible 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 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 tangible assets.

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

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

h) Loans

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

i) Financial expenses relating to loans obtained

Financial expenses relating to loans obtained are generally recognised as expenses at the time they are incurred. Financial expenses related to loans obtained for the acquisition, construction or production of fixed assets are capitalised as part of the cost of the assets. These expenses are capitalised starting from the time of preparation for the construction or development of the asset and are interrupted when the assets are ready to operate, at the end of the production or construction phases or when the associated project is suspended.

j) Derivatives

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

The cash flow hedges used by the Company are related to:

- (i) Interest rate swaps operations to hedge against interest rate risks on loans obtained. The amounts, interest payment dates and repayment dates of the underlying interest rate swaps are similar in all respects to the conditions established for the contracted loans. Changes in the fair value of cash flow hedges are recorded in assets or liabilities, against a corresponding entry under the caption 'Hedging reserves' in Shareholders' funds.
- (ii) Forward's exchange rate for hedging foreign exchange risk. The values and times periods involved are identical to the amounts invoiced and their maturities.

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

At 31 of March 2013 and 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 period, the recorded and unrecorded deferred tax assets are revised and they are reduced whenever their realisation ceases to be probable, or increased if future taxable profits are likely enabling the recovery of such assets (note 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 period and whose expenses will only occur in future periods 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 cannot be used to absorb losses.

Hedging reserve

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

Own shares reserve

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

Under Portuguese law, the amount of distributable reserves is determined in accordance with the individual financial statements of the Company, presented in accordance with IAS / IFRS.

Therefore, at 31 March 2013, Sonaecom, SGPS, S.A., have reserves which by their nature could be considered distributable, in the amount of around Euro 201 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:

	2013		2012	
	31 March	Average	31 March	Average
Pounds Sterling	1.1826	1.1756	1.1992	1.1984
Swiss franc	0.8200	0.8142	0.8302	0.8278
Swedish krona	0.1197	0.1178	0.1131	0.1130
American Dollar	0.7809	0.7578	0.7487	0.7630

r) Assets impairment

Impairment tests are performed at the date of each balance sheet and whenever an event or change of circumstances indicates that the recorded amount of an asset may not be recoverable.

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

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

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

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

s) Medium-term incentive plans

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

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

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

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

- (i) The total gross fixed amount payable to third parties is recorded in the balance sheet as either 'Other non-current liabilities' or 'Other current liabilities';
- (ii) The part of this responsibility that has not yet been recognised in the profit and loss statement (the 'unelapsed' proportion of the cost of each plan) is deferred and is recorded, in the balance sheet as either 'Other non-current assets' or 'Other current assets';
- (iii) The net effect of the entries in (i) and (ii) above eliminate the original entry to 'Shareholders' funds';
- (iv) In the profit and loss statement, the 'elapsed' proportion continues to be charged as an expense under the caption 'Staff expenses'.

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

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

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

At 31 March 2013, only one plan of Sonaecom share plans was covered through the detention of own shares. For 2011 Sonaecom shares plan, the Company signed with Sonaecom SGPS, S.A., a contract that agrees to the transfer of Sonaecom, SGPS, S.A. shares for employees and board members of the Group as requested of Sonaecom and under the MTIP of Sonaecom and fixed 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'. 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 plans, into hedging contracts with an external entity under which the acquisition price of those shares was fixed. Therefore, the responsibility is recorded based on that fixed price, proportionally to the period of time elapsed since the award date until the date of record, under the captions 'Other non-current liabilities' and 'Other current liabilities'. The cost is recognized on the income statement under the caption 'Staff expenses'.

t) Subsequent events

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

u) Judgements and estimates

The most significant accounting estimates reflected in the financial statements of the periods ended at 31 March 2013 and 2012 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, when it is considered necessary. 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 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 treasury estimates is an important variable to quantify the amounts and the maturity of the applications in the market.

The maturity of each class of financial liabilities is presented in 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 the periods ended at 31 March 2013 and 2012 was as follows:

						2013
	Buildings and other constructions	Plant and machinery	Tools	Fixtures and fittings	Other tangible assets	Total
Gross assets						
Balance at 31 December 2012	722,909	46,685	171	333,756	104	1,103,625
Balance at 31 March 2013	722,909	46,685	171	333,756	104	1,103,625
Accumulated depreciation and impairment losses						
Balance at 31 December 2012	486,209	40,497	171	280,140	104	807,121
Depreciation for the period	10,439	1,828	-	4,374	-	16,641
Balance at 31 March 2013	496,648	42,325	171	284,514	104	823,762
Net value	226,261	4,360	-	49,242	-	279,863

						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
Additions	-	360	-	-	-	360
Balance at 31 March 2012	721,165	46,685	171	333,757	104	1,101,882
Accumulated depreciation and impairment losses						
Balance at 31 December 2011	444,736	33,182	171	262,282	104	740,475
Depreciation for the period	10,361	1,829	-	4,676	-	16,866
Balance at 31 March 2012	455,097	35,011	171	266,958	-	757,341
Net value	266,068	11,674	-	66,799	-	344,541

3. Intangible assets

The movement in intangible assets and in the corresponding accumulated amortisation and impairment losses in the periods ended at 31 March 2013 and 2012, was as follows:

				2013
	Brands, patents and other rights	Software	Intangible assets in progress	Total
Gross assets				
Balance at 31 December 2012	9,719	190,031	2,373	202,123
Transfers	-	2,373	(2,373)	-
Balance at 31 March 2013	9,719	192,404	-	202,123
Accumulated amortisation and impairment losses				
Balance at 31 December 2012	9,339	183,474	-	192,813
Amortisation for the period	224	477	-	701
Balance at 31 March 2013	9,563	183,951	-	193,514
Net value	156	8,453	-	8,609

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

4. Breakdown of financial instruments

At 31 March 2013 and 2012, the breakdown of financial instruments was as follows:

					2013
	Loans and receivables	Other financial assets	Subtotal	Others not covered by IFRS 7 and/or non-financial instruments	Total
Non-current assets					
Other non-current assets (note 6)	514,120,246	-	514,120,246	-	514,120,246
	514,120,246	-	514,120,246	-	514,120,246
Current assets					
Other trade debtors (note 8)	30,522,271	-	30,522,271	2,474,033	32,996,304
Other current assets	-	3,460,621	3,460,621	158,087	3,618,708
Cash and cash equivalents (note 9)	104,013,088	-	104,013,088	-	104,013,088
	134,535,359	3,460,621	137,995,980	2,632,120	140,628,100

					2012
	Loans and receivables	Other financial assets	Subtotal	Others not covered by IFRS 7 and/or non-financial instruments	Total
Non-current assets					
Other non-current assets (note 6)	544,399,752	-	544,399,752	-	544,399,752
	544,399,752	-	544,399,752	-	544,399,752
Current assets					
Other trade debtors (note 8)	85,341,918	-	85,341,918	-	85,341,918
Other current assets	-	7,310,609	7,310,609	82,423	7,393,032
Cash and cash equivalents (note 9)	31,553,676	-	31,553,676	-	31,553,676
	116,895,594	7,310,609	124,206,203	82,423	124,288,626

					2013
	Liabilities recorded at amortised cost	Other financial liabilities	Subtotal	Others not covered by IFRS 7 and/or non-financial instruments	Total
Non-current liabilities					
Medium and long-term loans – net of short-term portion (note 12)	188,995,136	-	188,995,136	-	188,995,136
Other non-current liabilities	-	-	-	90,987	90,987
	188,995,136	-	188,995,136	90,987	189,086,123
Current liabilities					
Short-term loans and other loans (note 12)	179,953,067	-	179,953,067	-	179,953,067
Other creditors (note 14)	-	861,403	861,403	330,611	1,192,014
Other current liabilities	-	334,342	334,342	127,595	461,937
	179,953,067	1,195,745	181,148,812	458,206	181,607,018

					2012
	Liabilities recorded at amortised cost	Other financial liabilities	Subtotal	Others not covered by IFRS 7 and/or non-financial instruments	Total
Non-current liabilities					
Medium and long-term loans – net of short-term portion (note 12)	288,831,843	-	288,831,843	-	288,831,843
Other non-current liabilities	-	-	-	113,280	113,280
	288,831,843	-	288,831,843	113,280	288,945,123
Current liabilities					
Short-term loans and other loans (note 12)	145,288,907	-	145,288,907	-	145,288,907
Other creditors (note 14)	-	338,644	338,644	520,280	858,924
Other current liabilities	-	594,805	594,805	201,163	795,968
	145,288,907	933,449	146,222,356	721,443	146,943,799

Considering the nature of the balances, the amounts to be paid and received to / from 'State and other public entities', as well as the specialized costs with share plans were considered outside the scope of IFRS 7. Also, the deferred income and deferred costs under the captions 'Other current assets', 'Other current liabilities', 'Other non-current assets' and 'Other non-current liabilities' were considered as non-financial instrument.

The Sonaecom's Board of Directors believes that, the fair value of the breakdown of financial instruments recorded at amortised cost or registered at the present value of the payments does not differ significantly from their book value. This decision is based in the contractual terms of each financial instrument.

5. Investments in Group companies

At 31 March 2013 and 2012, this caption included the following investments in Group companies:

Company	2013	2012
OPTIMUS, SGPS, S.A. ('Optimus SGPS') *	1,005,866,218	107,289,987
Sonaetelecom BV	75,009,902	75,009,902
Sonae com - Sistemas de Informação, SGPS, S.A. ('Sonae com SI')	52,241,587	52,241,587
Sonaecom BV	25,020,000	25,020,000
PCJ - Público, Comunicação e Jornalismo, S.A. ('PCJ')	11,176,546	50,000
Público - Comunicação Social, S.A. ('Público')	10,227,595	494,495
Miauger - Organização e Gestão de Leilões Electrónicos, S.A. ('Miauger')	5,714,245	4,568,100
Sonaecom - Serviços Partilhados, S.A. ('Sonaecom SP')	50,000	50,000
ZOPT, SGPS, S.A. ('ZOPT') **	25,000	-
Optimus - Comunicações, S.A. ('Optimus')	-	898,576,231
Be Artis - Conceção, Construção e Gestão de Redes de Comunicações, S.A. ('Be Artis')	-	8,230,885
Sontária - Empreendimentos Imobiliários, S.A. ('Sontária')	-	6,120,239
	1,185,331,093	1,177,651,426
Impairment losses (note 13)	(112,101,451)	(80,122,497)
Total investments in Group companies	1,073,229,642	1,097,528,929

* This company changed its name from Sonae Telecom, SGPS, S.A., to OPTIMUS, SGPS, S.A., at 12 October 2012

**Company established in December 2012

The movements that occurred in investments in this caption during the periods ended at 31 March 2013 and 2012 were as follows:

Company	Balance at 31 December 2012	Additions	Disposals	Transfers and write-offs	Balance at 31 March 2013
Optimus SGPS	1,005,866,218	-	-	-	1,005,866,218
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
PCJ	3,551,772	7,624,774	-	-	11,176,546
Público	3,738,230	6,489,365	-	-	10,227,595
Miauger	4,568,100	1,146,145	-	-	5,714,245
Sonaecom SP	50,000	-	-	-	50,000
ZOPT	25,000	-	-	-	25,000
	1,170,070,809	15,260,284	-	-	1,185,331,093
Impairment losses (note 13)	(97,197,713)	(65,000)	-	(14,838,738)	(112,101,451)
	1,072,873,096	15,195,284	-	(14,838,738)	1,073,229,642

Company	Balance at 31 December 2011	Additions	Disposals	Transfers and write-offs	Balance at 31 March 2012
Optimus	898,576,231	-	-	-	898,576,231
Optimus SGPS	107,289,987	-	-	-	107,289,987
Sonaetelecom BV	75,009,902	-	-	-	75,009,902
Sonae com SI	52,241,587	-	-	-	52,241,587
Sonaecom BV	25,020,000	-	-	-	25,020,000
Be Artis	8,230,885	-	-	-	8,230,885
Sontária	6,120,239	-	-	-	6,120,239
Miauger	4,568,100	-	-	-	4,568,100
Público	494,495	-	-	-	494,495
PCJ	50,000	-	-	-	50,000
Sonaecom SP	-	50,000	-	-	50,000
	1,177,601,426	50,000	-	-	1,177,651,426
Impairment losses (note 13)	(80,122,497)	-	-	-	(80,122,497)
	1,097,478,929	50,000	-	-	1,097,528,929

In the period ended at 31 March 2013, the amounts of Euro 7,624,774, Euro 6,489,365 and Euro 1,146,145 under the caption 'Additions' in PCJ, Público and Miauger, relates to increases of share capital.

In the period ended at 31 March 2012, the amount of Euro 50,000 under the caption 'Additions' at Sonaecom SP, relates to the constitution of Sonaecom Serviços Partilhados, S.A., wholly owned by Sonaecom.

The evolution in 'Impairment losses', in the period ended at 31 March 2013, result from the increase made in the amount of Euro 65,000 (note 13) and the transfer of Euro 14,838,738 to the caption 'Other non-current assets' (note 6 and 13).

Between March 2013 and March 2012, the additions and disposals occurred in Optimus SGPS and Optimus, respectively, are referred to Optimus SGPS capital increase. This capital increase was fully subscribed by Sonaecom, through contributions in kind, specifically the delivery of 64.14% of the share capital of Optimus – Comunicações, S.A. Following this transaction, Optimus SGPS (wholly owned by Sonaecom) holds the entire capital of Optimus – Comunicações, S.A. In addition, Sonaecom sold the entire share capital of its subsidiaries Be Artis and Sontária to Optimus SGPS.

The Company presents separate consolidated financial statements at 31 March 2013, in accordance with International Financial Reporting Standards (IAS / IFRS) as adopted by the European Union, which presents total consolidated assets of Euro 1,861,416,512 total consolidated liabilities of Euro 760,230,993, consolidated operational revenues of Euro 196,207,958 and consolidated Shareholders' funds of Euro 1,101,185,519 including a consolidated net profit (attributable to the Shareholders of the parent company – Sonaecom, SGPS, S.A.) for the period ended at 31 March 2013 of Euro 18,426,869.

At 31 March 2013 and 2012, the main financial information regarding the subsidiaries directly owned by the company is, as follows (values in accordance with IAS/IFRS):

		2013			2012		
Company	Head office	% holding	Shareholders' funds	Net profit / (loss)	% holding	Shareholders' funds	Net profit / (loss)
Optimus SGPS	Maia	100%	996,034,171	43,234,079	100%	173,923,366	26,121,605
Sonae com SI	Maia	100%	85,959,360	1,402,713	100%	61,447,073	35,584,386
Sonaecom BV	Amsterdam	100%	14,677,285	97,442	100%	14,517,233	(146,687)
PCJ	Maia	100%	1,981,195	67,740	100%	9,665,025	126,797
Sonaetelecom BV	Amsterdam	100%	1,615,160	(712)	100%	1,616,582	3,954
Público	Maia	100%	762,138	(630,267)	100%	(534,412)	(916,182)
Miauger	Maia	100%	208,958	(9,896)	100%	10,621	(16,745)
Sonaecom SP	Maia	100%	49,242	(793)	100%	49,766	(234)
ZOPT (a)	Matosinhos	50%	13,408	(36,592)	-	-	-
Optimus (b)	Maia	-	-	-	64.14%	468,206,109	14,065,305
Be Artis (c)	Maia	-	-	-	100%	250,314,607	(686,539)
Sontária (c)	Maia	-	-	-	100%	106,097	44,528

(a) Company established in December 2012

(b) Share capital sold in September 2012

(c) Companies sold in June 2012

At 31 March 2012, Sonaecom owned, indirectly, through Optimus SGPS, an additional financial participation in Optimus-Comunicações, S.A. of 35.86%, reaching a participation of 100%.

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 their Board of Directors, which include projected cash flows for periods of five years. In the telecommunications sector, the assumptions used are based on past performances, the evolution of the number of customers, the likely evolution of regulated tariffs, the current market conditions as well as expectations for future developments. In the area of information systems, the assumptions used are essentially based on the various businesses of the Group and the growth of the several geographic areas where the Group operates. 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, is considered a growth rate of circa 3%. 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.

	Telecommunications	Information Systems	Multimedia
Assumptions			
Basis of recoverable amount	Value in use	Value in use	Net selling price
Discount rate	9.5%	14.0%	-
Growth rate in perpetuity	3.0%	3.0%	-

6. Other non-current assets

At 31 March 2013 and 2012, this caption was made up as follows:

	2013	2012
Financial assets		
Medium and long-term loans granted to Group companies:		
Optimus SGPS	312,850,000	-
Sonae com SI	11,950,000	13,690,000
PCJ	4,690,000	5,145,000
Sonaecom BV	820,000	16,774,000
Be Artis	-	194,179,000
Sontária	-	2,676,637
Sonaetelecom BV	-	200,000
	330,310,000	232,664,637
Supplementary capital:		
Optimus SGPS	144,630,000	38,630,000
Sonae com SI	39,951,792	-
PCJ	1,863,455	12,990,000
Público	1,332,405	3,565,505
Miauger	158,854	1,105,000
Be Artis	-	265,889,115
	187,936,506	322,179,620
	518,246,506	554,844,257
Accumulated impairment losses (note 13)	(4,126,260)	(10,444,505)
	514,120,246	544,399,752

During the periods ended at 31 March 2013 and 2012, the movements that occurred in 'Medium and long-term loans granted to Group companies' were as follows:

					2013
Company	Opening balance	Increases	Decreases	Transfers	Closing balance
Optimus SGPS	312,850,000	-	-	-	312,850,000
Sonae com SI	15,815,000	-	(3,865,000)	-	11,950,000
PCJ	4,690,000	-	-	-	4,690,000
Sonaecom BV	2,075,000	-	(1,255,000)	-	820,000
	335,430,000	-	(5,120,000)	-	330,310,000

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

During the periods ended at 31 March 2013 and 2012, the movements in 'Supplementary capital' were as follows:

					2013
Company	Opening balance	Increases	Decreases	Transfers	Closing balance
Optimus SGPS	144,630,000	-	-	-	144,630,000
Sonae com SI	39,951,792	-	-	-	39,951,792
PCJ	9,488,228	-	(7,624,773)	-	1,863,455
Público	7,821,770	-	(6,489,365)	-	1,332,405
Miauger	1,305,000	-	(1,146,146)	-	158,854
	203,196,790	-	(15,260,284)	-	187,936,506

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

During the periods ended at 31 March 2013 and 2012, the loans granted to Group companies earned interest at market rates with an average interest rate of 5.62% and 4.75%, respectively. Supplementary capital is non-interest bearing.

The movement under the caption 'Accumulated impairment losses' results from the transfer in the amount of Euro 14,838,738 to the caption 'Investments in Group companies' (note 5), as well as increase made in the period amounting to Euro 1,760,000 (note 13).

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

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

7. Deferred taxes

At 31 March 2013, 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, impairment losses and others	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	-	(149,858)	(149,858)	(39,712)
2007	53,012,643	(537,036)	52,475,607	13,110,846
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	-	25,537,410	25,537,410	6,767,414
2013	-	1,340,773	1,340,773	355,305
	53,012,643	116,897,772	169,910,415	44,231,071

The rate used at 31 March 2013 to calculate the deferred tax assets/liabilities was of 25% relating to tax losses carried forward, and of 26.5% for remaining deferred tax assets and liabilities. It wasn't considered the state surcharge, as it was understood to be unlikely the taxation of temporary differences during the estimated period when the referred rate will be applicable.

The reconciliation between the earnings before tax and the tax recorded for the periods ended at 31 March 2013 and 2012 is as follows:

	2013	2012
Earnings before tax	25,410,222	76,585,678
Income tax rate (25%)	(6,352,556)	(19,146,420)
Correction of the tax of the previous year and other related taxes	(50,735)	(2,661)
Tax provision (notes 13 and 17)	(2,575)	(2,280)
Movements in provisions not accepted for tax purposes (note 13)	(335,193)	(472,250)
Adjustments to the taxable income	6,170,762	19,715,030
Use of losses carried forward, which deferred taxes were not recorded	387,740	-
Income taxation recorded in the period	(182,557)	91,419

The tax rate used at 31 March 2013, to reconcile the tax expense and the accounting profit was 25% because it is the standard rate of the corporate income tax in Portugal.

The adjustments to the taxable income in 2013 relates, mainly, to dividends received (note 16), which do not contribute to the calculation of the taxable profit for the period.

Portuguese Tax Authorities can review the income tax returns of the Company for a period of four years (five years for Social Security), except when tax losses have been generated, tax benefits have been granted or when any review, claim or impugnation is in progress, in which circumstances, the periods are extended or suspended. Consequently, tax returns of each year, since the year 2009 (inclusive) are still subject to such review. The Board of Directors believes that any correction that may arise as a result of such review would not produce a significant impact in the accompanying financial statements.

Supported by the Company's lawyers and tax consultants, the Board of Directors believes that there are no liabilities not provisioned in the financial statements, associated to probable tax contingencies that should have been recorded or disclosed in the accompanying financial statements, at 31 March 2013.

8. Other current debtors

At 31 March 2013 and 2012, this caption was made up as follows:

	2013	2012
Trade debtors	30,522,271	85,357,402
State and other public entities	2,474,033	-
Accumulated impairment losses on accounts receivables (note 13)	-	(15,484)
	32,996,304	85,341,918

At 31 March 2013 and 2012, the caption 'Other current debtors' included amounts to be received from Group companies related to dividends, in the amount of Euro 24,700,000, interests receivable from subsidiaries on Shareholders' loans, interest on treasury applications and services rendered (notes 16 and 18).

The caption 'State and other public entities', at 31 March 2013, includes the special advanced payment, retentions and taxes to be recovered.

9. Cash and cash equivalents

At 31 March 2013 and 2012, the breakdown of cash and cash equivalents was as follows:

	2013	2012
Cash	1,148	14,148
Bank deposits repayable on demand	23,940	30,528
Treasury applications	103,988,000	31,509,000
	104,013,088	31,553,676
Bank overdrafts (note 12)	(2,793,822)	(38,555)
	101,219,266	31,515,121

At 31 March 2013 and 2012, the caption 'Treasury applications' had the following breakdown:

	2013	2012
Optimus SGPS	98,225,000	-
We Do	2,613,000	3,090,000
Público	2,020,000	2,054,000
Lugares Virtuais	615,000	570,000
Mainroad	425,000	-
PCJ	90,000	-
Artis	-	8,040,000
Be Towering	-	6,870,000
Sontária	-	165,000
Sonae com SI	-	95,000
Bank applications	-	10,625,000
	103,988,000	31,509,000

During the period ended at 31 March 2013, the above mentioned treasury applications bear interests at an average rate of 5.52% (4.55% in 2012).

10. Share capital

At 31 March 2013 and 2012, 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:

	2013		2012	
	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')	78,119,762	21.33%	80,761,848	22.05%
Atlas Service Belgium	73,249,374	20.00%	73,249,374	20.00%
Millenium BCP	12,500,998	3.41%	12,500,998	3.41%
Own shares (note 11)	4,882,615	1.33%	5,020,529	1.37%
Sonae SGPS	3,430,000	0.94%	650,000	0.18%
Efanor Investimentos, SGPS, 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 31 March 2013, Sonaecom delivered to its employees 247,423 own shares under its Medium Term Incentive Plans.

Additionally, Sonaecom acquired 809,000 new shares (at an average price of Euro 1.658), holding at the end of the period 4,882,615 own shares, representative of 1.33% of its share capital, with an average price of Euro 1.492.

12. Loans

At 31 March 2013 and 2012, 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	2013	2012
'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	100,000,000
'Obrigações Sonaecom SGPS 2010'	40,000,000	Mar-15	Final	40,000,000	40,000,000
'Obrigações Sonaecom SGPS 2012'	20,000,000	Jul-15	-	20,000,000	-
Costs associated with setting-up the financing	-	-	-	(1,428,055)	(2,539,092)
Interests incurred but not yet due	-	-	-	252,063	1,370,935
				158,824,008	288,831,843
Commercial paper	30,000,000	Jul-15	-	30,000,000	-
Costs associated with setting-up the financing	-	-	-	(70,346)	-
Interests incurred but not yet due	-	-	-	241,474	-
				30,171,128	-
				188,995,136	288,831,843

b) Short-term loans and other loans

				Amount outstanding	
Issue denomination	Limit	Maturity	Type of reimbursement	2013	2012
Tresuary applications	-	-	-	11,033,000	1,789,000
Interest incurred but not yet due	-	-	-	175,185	203,209
				11,208,185	1,992,209
'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
Costs associated with setting-up the financing	-	-	-	(126,563)	-
Interest incurred but not yet due	-	-	-	502,055	-
				150,375,492	30,000,000
Commercial paper	150,000,000	Jul-12	-	-	100,000,000
Commercial paper	25,000,000	Jul-13	-	7,000,000	13,000,000
Costs associated with setting-up the financing	-	-	-	(5,200)	-
Interest incurred but not yet due	-	-	-	5,768	258,143
				7,000,568	113,258,143
Overdraft facilities	16,500,000	Jul-13	-	8,575,000	-
Authorised overdrafts (note 9)	2,500,000	Oct-13	-	2,485,000	-
Bank overdrafts (note 9)	-	-	-	308,822	38,555
				179,953,067	145,288,907

Bond Loan

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

In February and March 2010, Sonaecom signed two other Bond Loan, both privately placed, in the amount of Euro 30 and 40 million, without guarantees and maturities of 3 and 5 years respectively. Both loans bear interest at floating rate indexed to Euribor, and paid semiannually. The issues were organised if mounted by, respectively, Banco Espírito Santo de Investimento and Caixa - Banco de Investimento. These bond issues were traded on Euronext Lisbon market. At 4 February 2013, the Company settled the bond loan of Euro 30 million.

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.

In July 2012, Sonaecom signed a Bond Loan, privately placed, amounting to Euro 20 million without guarantees and with the maturity of three years. The bonds bear interest at floating rate, indexed to Euribor and paid semiannually. This issue was organised and mounted by Banco BPI.

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

The average interest rate of the bond loans, in the period, was 2.39% (3.52% in 2012).

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).

In June 2010, Sonaecom contracted a Commercial Paper Programme Issuance with a maximum amount of Euro 15 million with subscription grant and maturity of three years, organised by Caixa Económica Montepio Geral.

In July 2012, Sonaecom contracted a Commercial Paper Programme Issuance with a maximum amounts of 30 million with subscription grant and maturity of tree years, organised by Caixa – Banco de Investimento and Caixa Geral de Depósitos. Additionally, in the same period, Sonaecom contracted a Commercial Paper Programme Issuance with a maximum amount of Euro 25 million with subscription grant and maturity of one year, organised by Banco Santander Totta.

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

On 31 March 2013, the main financial constraints (covenants) included in debt contracts are related with the bond issue completed by Sonaecom during September 2011, totaling Euro 100 million and establishing: (i) the requirement for Sonaecom, Optimus, Artis and Optimus SGPS, as well as the group companies whose both assets and EBITDA are equal or greater than 15% of the consolidated assets and the consolidated EBITDA (material subsidiaries) represent, as a whole, at least 80% of Sonaecom consolidated assets and consolidated EBITDA, and: (ii) the obligation to ensure that consolidated net debt does not exceed three times the consolidated EBITDA. Additionally, both this loan, as well as other loans are covered by Sonaecom negative pledge clauses, which impose certain restrictions on the mortgaging or pledging of the material subsidiaries' tangible assets and require the upholding of control over Optimus. The penalties applicable in the event of default in these covenants are generally the early payment of the loans obtained.

On 31 March 2013 and at present date, Sonaecom was fully compliant with all the financial constraints above mentioned. As a result of the negotiation process with the financial system, the necessary approvals were obtained, allowing the resolution of the impacts of possible merger between Optimus and Zon.

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 29 million. These credit lines have maturities up to one year, automatically renewable, except in case of termination by either party, with some periods of notice.

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

During the periods ended at 31 March 2013 and 2012, the detail of 'Treasury applications' received from subsidiaries was as follows:

	2013	2012
Digitmarket	5,170,000	-
Sonaecom BV	3,650,000	-
Sonaetelecom BV	1,599,000	1,749,000
Saphety	260,000	-
Miauger	210,000	-
Sonae com SI	95,000	-
Sonaecom SP	49,000	40,000
	11,033,000	1,789,000

The treasury applications received from Group companies are payable in less than one year and earn interests at market rates. During the periods ended at 31 March 2013 and 2012, the treasury applications earned an average interest rate of 3.12% and 3.80%, respectively.

At 31 March 2013 and 2012, 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
2013					
Bond loan					
Reimbursements	-	150,000,000	10,000,000	-	-
Interests	5,595,859	5,292,192	167,988	-	-
Commercial paper					
Reimbursements	-	-	30,000,000	-	-
Interests	1,187,520	1,187,520	396,925	-	-
	6,783,379	156,479,712	40,564,913	-	-
2012					
Bond loan					
Reimbursements	-	150,000,000	140,000,000	-	-
Interests	9,439,500	6,471,505	5,503,397	-	-
Commercial paper					
Reimbursements	-	-	-	-	-
Interests	-	-	-	-	-
	9,439,500	156,471,505	145,503,397	-	-

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 three years. As so, such liabilities are recorded in the medium and long term.

At 31 March 2013 and 2012, the available credit lines of the Company are as follows:

				Maturity	
Credit	Limit	Amount outstanding	Amount available	Until 12 months	More than 12 months
2013					
Commercial paper	30.000.000	30.000.000	-		x
Commercial paper	25.000.000	7.000.000	18.000.000	x	
Commercial paper	15.000.000	-	15.000.000	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	20.000.000	20.000.000	-		x
Overdraft facilities	16.500.000	8.575.000	7.925.000	x	
Authorised overdrafts*	10.000.000	-	10.000.000	x	
Authorised overdrafts	2.500.000	2.485.000	15.000	x	
	409.000.000	358.060.000	50.940.000		
2012					
Commercial paper	150.000.000	100.000.000	50.000.000	x	
Commercial paper	30.000.000	13.000.000	17.000.000	x	
Commercial paper	15.000.000	-	15.000.000	x	
Commercial paper	10.000.000	-	10.000.000	x	
Bond loan	150.000.000	150.000.000	-		x
Bond loan	100.000.000	100.000.000	-		x
Bond loan	40.000.000	40.000.000	-		x
Bond loan	30.000.000	30.000.000	-	x	
Overdraft facilities	16.500.000	-	16.500.000	x	
Authorised overdrafts	2.500.000	-	2.500.000	x	
	544.000.000	433.000.000	111.000.000		

* Can also be used in the form of Commercial paper.

At 31 March 2013 and 2012, 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 31 March 2013 and 2012 were as follows:

	Opening balance	Increases	Reductions	Transfers	Utilizations	Closing balance
2013						
Accumulated impairment losses on accounts receivables (note 8)	-	-	-	-	-	-
Accumulated impairment losses on investments in Group companies (notes 5 and 16)	97,197,713	65,000	-	14,838,738	-	112,101,451
Accumulates impairment losses on other non-current assets (notes 6 and 16)	17,204,998	1,760,000	-	(14,838,738)	-	4,126,260
Provisions for other liabilities and charges	74,959	103,088	(706)	-	-	177,341
	114,477,670	1,928,088	(706)	-	-	116,405,052
2012						
Accumulated impairment losses on accounts receivables (note 8)	1,930	15,387	-	-	(1,833)	15,484
Accumulated impairment losses on investments in Group companies (notes 5 and 16)	80,122,497	-	-	-	-	80,122,497
Accumulates impairment losses on other non-current assets (notes 6 and 16)	8,555,505	1,889,000	-	-	-	10,444,505
Provisions for other liabilities and charges	68,654	2,280	-	-	-	70,934
	88,748,586	1,906,667	-	-	(1,833)	90,653,420

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

At 31 March 2013 and 2012, the increase of 'Provisions for other liabilities and charges' includes the amount of Euro 2,575 and 2,280, respectively, registered in the financial statements, under the caption 'Income taxation', due to its' nature (note 17). Additionally, in 31 March 2013, the increase of 'Provisions for other liabilities and charges' include, mainly, the amount of Euro 100,465 to cover several contingencies related to probable liabilities resulting from several transactions which cash outflow is probable.

14. Other creditors

At 31 March 2013 and 2012, this caption was made up as follows:

	2013	2012
Other creditors	861,403	338,644
State and other public entities	330,611	520,280
	1,192,014	858,924

15. External supplies and services

At 31 March 2013 and 2012, this caption was made up as follows:

	2013	2012
Specialised work	574,943	432,715
Rents	38,305	20,391
Travel and accommodation	21,158	22,456
Insurance	12,458	12,894
Communications	10,776	4,989
Other external supplies and services	19,657	12,033
	677,297	505,478

16. Financial results

Net financial results for the periods ended 31 March 2013 and 2012 are made up as follows ((costs)/gains):

	2013	2012
Gains and losses on investments in Group companies		
Losses related to Group companies (notes 5, 6 and 13)	(1,825,000)	(1,889,000)
Gains related to Group companies (note 7)	24,700,000	78,877,861
	22,875,000	76,988,861
Other financial expenses		
Interest expenses:		
Bank loans	(1,083,758)	(783,913)
Other loans	(2,109,336)	(2,966,264)
	(3,193,094)	(3,750,177)
Other financial expenses	(103,385)	(79,143)
	(103,385)	(79,143)
	(3,296,479)	(3,829,320)
Other financial income		
Interest income	6,260,837	3,653,208
Foreign currency exchange gains	254	182
	6,261,091	3,653,390

In 31 March 2013, the gains related to group companies relates to dividends received from subsidiary Optimus SGPS.

At 31 March 2012, the caption 'Gains related to Group companies' relates to the dividends received from Optimus' subsidiaries (Euro 46,726,961), Optimus SGPS (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 31 March 2013 and 2012 were made up as follows ((costs) / gains):

	2013	2012
Current tax	(179,982)	93,699
Tax provision (notes 7 and 13)	(2,575)	(2,280)
Closing balance	(182,557)	91,419

18. Related parties

The most significant balances and transactions with related parties (which are detailed in the appendix) at 31 March 2013 and 2012 were as follows:

					Balances at 31 March 2013
	Accounts receivable (note 8)	Accounts payable (note 14)	Treasury applications (note 9)	Other assets / (liabilities)	Loans granted / (obtained) (note 6 and 12)
Parent Companies					
Sonae SGPS	-	16,266	-	(6,755)	-
Subsidiaries					
Miauger	(7,771)	-	-	308	(211,800)
Optimus SGPS	30,202,175	-	98,225,000	3,069,928	312,850,000
PCJ	203,019	-	90,000	24,443	4,690,000
Público	(2,375,168)	-	2,020,000	18,599	(468)
Sonae com SI	179,812	-	-	61,088	11,854,618
Sonaecom BV	61,083	2,935	-	4,001	(2,945,131)
Sonaetelecom BV	-	-	-	-	(1,611,476)
Sonaecom SP	12	-	-	-	(49,446)
Others related parties					
Be Artis	(1,573,902)	2,807	-	1,628	-
Be Towering	198,429	-	-	-	-
Digitmarket	4,784	1,505	-	-	(5,208,279)
Lugares Virtuais	(160,037)	369	615,000	9,052	-
Mainroad	179,877	4,269	425,000	5,854	-
Optimus	3,714,762	156,022	-	(21,398)	-
Permar	(307)	-	-	-	-
Saphety	4,392	5,226	-	20,066	(264,418)
Wedo	128,146	-	2,613,000	262,033	(1,785)
Others	(159)	206,780	-	(33,534)	-
	30,759,147	396,179	103,988,000	3,415,313	319,101,815

					Balances at 31 March 2012
	Accounts receivable (note 8)	Accounts payable (note 14)	Treasury applications (note 9)	Other assets / (liabilities)	Loans granted / (obtained) (note 6 and 12)
Parent Companies					
Sonae SGPS	-	-	-	-	-
Subsidiaries					
Be Artis	61,216	2,771	8,040,000	4,311,741	194,179,000
Miauger	-	22,757	-	15,722	(1,287)
Optimus	46,553,806	98,670	-	1,946,468	(72,818)
Optimus SGPS	17,429,392	-	-	88	(85)
PCJ	165,586	-	-	21,361	5,145,000
Público	-	1,099,822	2,054,000	22,507	(6,259)
Sonae com SI	14,335,028	(3,163)	95,000	57,364	13,689,634
Sonaecom BV	442,613	-	-	85,136	16,774,000
Sonaetelecom BV	4,551	-	-	783	(1,624,492)
Sontária	583,473	278	165,000	121,378	2,674,383
Others related parties					
Be Towering	-	564,631	6,870,000	244,434	(12)
Digitmarket	6,513	32,206	-	18,141	(38,283)
Lugares Virtuais	-	195,494	570,000	5,292	-
Mainroad	64,483	4,269	-	228,195	(6,105)
Wedo	7,501,079	-	3,090,000	130,747	(178)
Others	69,454	189,771	-	(23,877)	(40,070)
	87,217,194	2,207,506	20,884,000	7,185,480	230,672,428

				Transactions at 31 March 2013
	Sales and services rendered	Supplies and services received (note 15)	Interest and similar income / (expense) (note 16)	Supplementary income
Parent Companies				
Sonae SGPS	-	-	-	-
Subsidiaries				
Miauger	-	-	(1,716)	-
Optimus SGPS	-	-	5,948,974	-
PCJ	-	-	67,562	-
Público	29,848	124	17,979	-
Sonae com SI	1,156	-	174,201	-
Sonaecom BV	-	-	(100,871)	-
Sonaetelecom BV	-	-	(12,476)	-
Sonaecom SP	-	-	(382)	-
Others related parties				
Optimus	779,235	262,068	-	26,035
Be Artis	-	6,846	-	-
Wedo	30,938	3,410	4,695	-
Others	35,320	251,193	(22,715)	-
	876,497	523,641	6,075,251	26,035
	Sales and services rendered	Supplies and services received (note 15)	Interest and similar income / (expense) (note 16)	Supplementary income
Parent Companies				
Sonae SGPS	(23,800)	4,500	119,568	-
Subsidiaries				
Miauger	-	-	(1,193)	-
Be Artis	-	3,593	2,551,808	-
Optimus	826,779	206,035	(71,263)	-
PCJ	-	-	62,280	-
Público	36,443	(4,412)	12,937	-
Sonae com SI	1,224	-	193,698	-
Sonaecom BV	-	-	461,651	-
Sonaetelecom BV	-	-	(14,112)	-
Sontária	-	6,422	31,691	-
Optimus SGPS	-	-	(22)	-
Others related parties				
Wedo	38,715	-	7,939	-
Others	85,060	101,110	37,027	-
	964,421	317,248	3,392,009	-

During the periods ended at 31 March 2013 and 2012, the company recognized in the total amount of Euro 24,700,000 and Euro 78,877,861, respectively, related to dividends from its subsidiaries (note 16).

All the above transactions were made at market prices.

Accounts receivable and payable to related companies will be settled in cash and are not covered by guarantees. During the periods ended at 31 March 2013 and 2012, 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.

19. Guarantees provided to third parties

Guarantees provided to third parties at 31 March 2013 and 2012 were as follows:

Beneficiary	Description	2013	2012
Direção de Contribuições e Impostos (Portuguese tax authorities)	VAT reimbursements	5,955,731	5,955,731
Direção de Contribuições e Impostos (Portuguese tax authorities)	Additional tax assessments (VAT, Stamp and Income tax)	2,696,853	2,142,717
Direção de Contribuições e Impostos (Portuguese tax authorities)	Others	16,795	16,795
		8,669,379	8,115,243

In addition to these guarantees were set up 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 9,249,232.

At 31 March 2013 and 2012, 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 25,227,665 in 2013 and Euro 76,677,097 in 2012) by the average number of shares outstanding during the periods ended at 31 March 2013 and 2012, net of own shares (361,738,638 in 2013 and 358,543,225 in 2012).

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-SGPS, S.A. shares. The vesting occurs three years after the award of each plan, assuming that the employees are still employed in the Company.

The Sonaecom plans outstanding at 31 March 2013 can be summarized as follows:

		Vesting period		31 March 2013	
	Share price at award date*	Award date	Vesting date	Aggregate number of participations	Number of shares
Sonaecom shares					
2009 Plan	1.685	10-Mar-10	08-Mar-13	-	-
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
2012 Plan	1.505	08-Mar-13	10-Mar-16	3	186,159
Sonae SGPS shares					
2009 Plan	0.761	10-Mar-10	08-Mar-13	-	-
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
2012 Plan	0.709	08-Mar-13	10-Mar-16	3	247,573

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

During the period ended at 31 March 2013, 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 2012:				
Unvested	10	786,207	10	1,186,787
Total	10	786,207	10	1,186,787
Movements in period:				
Awarded	3	186,159	3	247,573
Vested	(4)	(247,423)	(4)	(342,242)
Outstanding at 31 March 2013:				
Unvested	9	724,943	9	1,092,118
Total	9	724,943	9	1,092,118

For Sonaecom's share plans of 2010 and 2012 the responsibility was calculated taking into consideration the share price at the corresponding award date. For 2011 Sonaecom's share plan, the Company signed with Sonae-SGPS, S.A. a contract that agrees to the transfer of Sonaecom SGPS shares for employees and board members of the Group as requested of Sonaecom and under the MTIP of Sonaecom, and the liabilities are calculated based on the price fixed in the contract. The responsibility for the three plans was recorded under the heading 'Medium Term Incentive Plans Reserve'. For the Sonae SGPS share plans, except 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'. The detail of the hedging contracts is as follows:

	Sonae SGPS shares	Sonaecom shares	
	2010 Plan	2011 Plan	2011 Plan
Notional value	257,574	323,727	3,291,520
Maturity	Mar-14	Mar-15	Dec-16
Level of inputs in the hierarchy of fair value	Level 2		
Valuation method	Current replacement cost		
Fair value*	16,776	200,206	1,387,220

* For the fair value calculation was used the share price at March 28

Share plan costs are recognised in the accounts over the period between the award and the vesting date of those plans. The costs recognised in previous years and in the period ended at 31 March 2013, were as follows:

	Sonaecom shares	Sonae SGPS shares	Total
Costs recognised in previous years	2,675,361	3,262,224	5,937,585
Costs recognised in the period	120,137	69,318	189,455
Costs of plans vested in previous years	(2,025,205)	(2,862,603)	(4,887,808)
Costs of plans vested in the period	(406,268)	(250,357)	(656,625)
	364,025	218,582	582,607
Responsibility of plans	492,765	378,518	871,283
Fair value of hedging contracts (1)	(128,740)	(159,936)	(288,676)
Recorded in other current liabilities	-	127,595	127,595
Recorded in other non current liabilities	-	90,987	90,987
Recorded in reserves	364,025	-	364,025

(1) Sonaecom has signed hedging contracts to cover its responsibilities related with the medium and long-term group' incentive plans, later transferring, through contracts, the responsibility for each company of the group. The fair value of the hedging contracts, considered in the table above, corresponds to the amount that covers Sonaecom employees' responsibility.

22. Other matters

Following the announcement made, on 14 December 2012 (note 5), between Sonaecom, SGPS, S.A., Kento Holding Limited and Jadeium BV (currently named Unitel International Holdings, BV, collectively referred to as 'Kento/Jadeium'), of having reached an agreement to recommend to the Boards of Zon Multimédia – Serviços de Telecomunicações e Multimédia, SGPS, S.A. ('Zon') and Optimus SGPS, SA a merger between the two companies, on 11 January 2013, Sonaecom, SGPS, S.A. carried out a capital increase in kind, transferring 81.807% of its financial participation in Optimus SGPS, S.A. to ZOPT, conditional upon completion of the merger.

At 21 January 2013, it was announced, by the Boards of Directors of both companies, the approval of the merger project. However, the transaction is still subject to approval of the shareholders of both companies.

On 7 March 2013, Sonaecom informed, on behalf of its affiliated company Optimus, that it was approved at the extraordinary shareholder meeting the merger project by incorporation between Optimus SGPS, S.A. and ZON Multimedia – Serviços de Telecomunicações e Multimédia, SGPS, S.A. and respective schedules, dated 21 January 2013.

The implementation of the merger is conditional upon the prior fulfillment of the non-opposition from the Competition Authority to the merger, in accordance with the terms of the Merger Project, the issuance of a statement waiving the obligation to launch a mandatory takeover bid by the Portuguese Securities and Exchange Commission (authorization of derogation request granted in April 2013), and the fulfillment of the remaining administrative and corporate formalities applicable or necessary to the completion of the merger, in accordance with the law and the terms laid down in the Merger Project.

At 15 February 2013, Sonae and France Télécom ('FT-Orange') have executed an agreement whereby, respectively, a call and put option is granted over the 20% stake in Sonaecom's share capital presently held by a subsidiary of FT-Orange. Sonae's call option may be exercised during the subsequent 18 months and FT-Orange's put option within the 3 months subsequent to the end of such 18 months' period. The price for the exercise of both options is of Euro 98.9 million, which may be increased up to Euro 113.5 million in case Sonaecom or Optimus participate in any material transaction of consolidation or restructuring of the telecommunications sector in Portugal which is announced within the subsequent 24 months. This agreement is subject to the condition that the Portuguese Securities Commission (CMVM) confirms that no concerted exercise of influence results from this agreement and that the shares held by Sonae are not attributable to FT-Orange, thereby removing the legal presumption of article 20, paragraph 4, of the Portuguese Securities Code.

23. Subsequent Events

On 18 April 2013, the Portuguese Securities Commission (CMVM) authorized the resolution of waiving the obligation to launch a mandatory takeover bid in the merger between Optimus SGPS and Zon.

These financial statements were approved by the Board of Directors on 29 April 2013.

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

Appendix

At 31 March 2013, the related parties of Sonaecom, SGPS, S.A. 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 Trigo 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 Gonçalves 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 – Conceção, Construção e Gestão de Redes de Comunicações, S.A.	Sonaecom, SGPS, S.A.
Be Towering – Gestão de Torres de Telecomunicações, S.A.	Sonaecom - Serviços Partilhados, S.A.
Cape Technologies Limited	Sonaetelecom BV
Digitmarket – Sistemas de Informação, S.A.	Sontária - Empreendimentos Imobiliários, S.A.
Infosystems-Sociedade de Sistemas de Informação, S.A.	SSI Angola, S.A.
Lugares Virtuais, S.A.	Tecnológica Telecomunicações LTDA.
Mainroad – Serviços em Tecnologias de Informação, S.A.	Unipress – Centro Gráfico, Lda
Miauger – Organização e Gestão de Leilões Electrónicos, S.A.	WeDo do Brasil – Soluções Informáticas, Ltda
Optimus – Comunicações, S.A.	WeDo Consulting – Sistemas de Informação, S.A.
OPTIMUS - SGPS, S.A.	WeDo Technologies Mexico, S de R.L.
PCJ - Público, Comunicação e Jornalismo, S.A.	We Do Technologies Panamá S.A.
Per-Mar – Sociedade de Construções, S.A.	WeDo Poland Sp. Z.o.o.
Praesidium Services Limited	We Do Technologies Singapore PTE. LTD.
Público – Comunicação Social, S.A.	WeDo Technologies Australia PTY Limited
Saphety Brasil Transações Eletrônicas Ltda.	WeDo Technologies Egypt LLC
Saphety Level – Trusted Services, S.A.	WeDo Technologies (UK) Limited
Sociedade Independente de Radiodifusão Sonora, S.A.	WeDo Technologies Americas, Inc.
Sonae com – Sistemas Informação, SGPS, S.A.	WeDo Technologies BV
Sonaecom – Sistemas de Información España, S.L.	WeDo Technologies BV – Sucursal Malaysia
Sonaecom BV	WeDo Technologies Chile SpA.
	ZOPT, SGPS, S.A.

Sonae/Efanor Group Companies	
3DO Holding GmbH	BA Capital, SGPS, SA
3shoppings – Holding, SGPS, S.A.	BB Food Service, S.A.
8ª Avenida Centro Comercial, SA	Beralands BV
ADD Avaliações Engenharia de Avaliações e Perícias 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
Aglom Investimentos, Sgps, S.A.	BOM MOMENTO – Comércio Retalhista, SA
Aglom-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,Urbân., 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.
Arrábidasshopping – 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.
Avenida M – 40, S.A.	Contimobe – Imobil.Castelo Paiva, S.A.
Azulino Imobiliária, S.A.	Continente Hipermercados, S.A.
BA Business Angels, SGPS, SA	Contry Club da Maia-Imobiliária, S.A.

Cooper Gay Swett & Crawford Lt	Guimarãesshopping – Centro Comercial, S.A.
Craiova Mall BV	Harvey Dos Iberica, S.L.
Cronosaúde – Gestão Hospitalar, S.A.	Herco Consultoria de Riscos e Corretora de Seguros Ltda
Cumulativa – Sociedade Imobiliária, S.A.	HighDome PCC Limited
Darbo S.A.S	Iberian Assets, S.A.
Deutsche Industrieholz GmbH	Igimo – Sociedade Imobiliária, S.A.
Discovery Sports, SA	Iginha – Sociedade Imobiliária, S.A.
Dortmund Tower GmbH	Imoareia – Invest. Turísticos, SGPS, S.A.
Dos Mares – Shopping Centre B.V.	Imobiliária da Cacela, S.A.
Dos Mares – Shopping Centre, S.A.	Imoclub – Serviços Imobiliários, S.A.
Ecociclo – Energia e Ambiente, S.A.	Imoconti – Soc.Imobiliária, S.A.
Ecociclo II	Imodivor – Sociedade Imobiliária, S.A.
Edições Book.it, 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 Serviços, S.A.
Euroresinas – Indústrias Químicas, 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.	Infocfield – Informática, S.A.
Fozmassimo – Sociedade Imobiliária, S.A.	Infratroia, EM
Freccia Rossa – Shopping Centre S.r.l.	Inparsi – 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	Integrum Martim Longo - Energia, S.A.
Gaiashopping I – Centro Comercial, S.A.	Interlog – SGPS, S.A.
Gaiashopping II – Centro Comercial, S.A.	Invesaude - Gestão Hospitalar S.A.
GHP GmbH	Ioannina Development of Shopping Centres, SA
Gli Orsi Shopping Centre 1 Srl	Isoroy SAS
Glunz AG	La Farga – Shopping Center, SL
Glunz Service GmbH	Laminate Park GmbH Co. KG
Glunz UK Holdings Ltd	Land Retail B.V.
Glunz Uka GmbH	Larim Corretora de Resseguros Ltda
GMET, ACE	Larissa Develop. Of Shopping Centers, S.A.
Golf Time – Golfe e Invest. Turísticos, S.A.	Lazam – MDS Corretora e Administradora de Seguros, S.A.

LCC LeiriaShopping Centro Comercial SA	Operscut – Operação e Manutenção de Auto-estradas, S.A.
Le Terrazze - Shopping Centre 1 Srl	OSB Deustchland Gmbh
Libra Serviços, Lda.	PantheonPlaza BV
Lidergraf – Artes Gráficas, Lda.	Paracentro – Gest.de Galerias Com., S.A.
Loop5 Shopping Centre GmbH	Pareuro, BV
Loureshopping – Centro Comercial, S.A.	Park Avenue Develop. of Shop. Centers S.A.
Luz del Tajo – Centro Comercial S.A.	Parque Atlântico Shopping – C.C., S.A.
Luz del Tajo B.V.	Parque D. Pedro 1 B.V.
Madeirashopping – Centro Comercial, S.A.	Parque D. Pedro 2 B.V.
Maiashopping – Centro Comercial, S.A.	Parque de Famalicão – Empr. Imob., S.A.
Maiequipa – Gestão Florestal, S.A.	Parque Principado SL
Marcas do Mundo – Viag. e Turismo Unip, Lda	Pátio Boavista Shopping Ltda.
Marcas MC, ZRT	Pátio Campinas Shopping Ltda
Marina de Tróia S.A.	Pátio Goiânia Shopping Ltda
Marinamagic – Expl.Cent.Lúdicos Marít, Lda	Pátio Londrina Empreend. e Particip. Ltda
Marmagno – Expl.Hoteleira Imob., S.A.	Pátio Penha Shopping Ltda.
Martimope – Sociedade Imobiliária, S.A.	Pátio São Bernardo Shopping Ltda
Marvero – Expl.Hoteleira Imob., S.A.	Pátio Sertório Shopping Ltda
MDS Affinity - Sociedade de Mediação, Lda	Pátio Uberlândia Shopping Ltda
MDS Africa SGPS, S.A.	Peixes do Continente – Ind.Dist.Peixes, S.A.
MDS Consultores, S.A.	Pharmaconcept – Actividades em Saúde, S.A.
MDS Corretor de Seguros, S.A.	PHARMACONTINENTE – Saúde e Higiene, S.A.
MDS Malta Holding Limited	PJP – Equipamento de Refrigeração, Lda
MDS SGPS, SA	Plaza Éboli B.V.
MDSAUTO - Mediação de Seguros, SA	Plaza Éboli – Centro Comercial S.A.
Megantic BV	Plaza Mayor Holding, SGPS, SA
Miral Administração e Corretagem de Seguros Ltda	Plaza Mayor Parque de Ócio BV
MJLF – Empreendimentos Imobiliários, S.A.	Plaza Mayor Parque de Ocio, SA
Mlearning - Mds Knowledge Centre, Unip, Lda	Plaza Mayor Shopping BV
Modalfa – Comércio e Serviços, S.A.	Plaza Mayor Shopping, SA
MODALLOOP – Vestuário e Calçado, S.A.	Ploi Mall BV
Modelo – Dist.de Mat. de Construção, S.A.	Plysorol, BV
Modelo Continente Hipermercados, S.A.	Poliface North America
Modelo Continente Intenational Trade, SA	PORTCC - Portimãoshopping Centro Comercial, SA
Modelo Hiper Imobiliária, S.A.	Porturbe – Edifícios e Urbanizações, S.A.
Modelo.com – Vendas p/Correspond., S.A.	Praedium – Serviços, S.A.
Movelpartes – Comp.para Ind.Mobiliária, S.A.	Praedium II – Imobiliária, S.A.
Movimento Viagens – Viag. e Turismo U.Lda	Praedium SGPS, S.A.
Mundo Vip – Operadores Turísticos, S.A.	Predicomercial – Promoção Imobiliária, S.A.
Munster Arkaden, BV	Prédios Privados Imobiliária, S.A.
Norscut – Concessionária de Scut Interior Norte, S.A.	Predisedas – Predial das Sedas, S.A.
Norteshopping – Centro Comercial, S.A.	Pridelease Investments, Ltd
Norteshopping Retail and Leisure Centre, BV	Proj. Sierra Germany 4 (four) – Sh.C.GmbH
Nova Equador Internacional, Ag.Viag.T, Ld	Proj.Sierra Germany 2 (two) – Sh.C.GmbH
Nova Equador P.C.O. e Eventos	Proj.Sierra Italy 1 – Shop.Centre Srl

Proj.Sierra Italy 3 – Shop. Centre Srl	SC, SGPS, SA
Proj.Sierra Italy 5 – Dev. Of Sh.C.Srl	SCS Beheer, BV
Project SC 1 BV	SDSR - Sports Division 2, S.A.
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	Serra Shopping – Centro Comercial, S.A.
Project Sierra 9 BV	Sesagest – Proj.Gestão Imobiliária, S.A.
Project Sierra Brazil 1 B.V.	Sete e Meio – Invest. Consultadoria, S.A.
Project Sierra Charagionis 1 S.A.	Sete e Meio Herdades – Inv. Agr. e Tur., S.A.
Project Sierra Four, SA	Shopping Centre Parque Principado B.V.
Project Sierra Germany Shop. Center 1 BV	Shopping Penha B.V.
Project Sierra Germany Shop. Center 2 BV	Siaf – Soc.Iniciat.Aprov.Florestais - Energia, S.A.
Project Sierra Spain 1 B.V.	SIAL Participações Ltda
Project Sierra Spain 2 – Centro Comer. S.A.	Sierra Asia Limited
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 B.V.	Sierra Charagionis Propert.Management S.A.
Project Sierra Three Srl	Sierra Corporate Services Holland, BV
Project Sierra Two Srl	Sierra Development Greece, S.A.
Promessa Sociedade Imobiliária, S.A.	Sierra Developments Germany GmbH
Prosa – Produtos e serviços agrícolas, S.A.	Sierra Developments Holding B.V.
Puravida – Viagens e Turismo, S.A.	Sierra Developments Italy S.r.l.
Quorum Corretora de seguros LT	Sierra Developments Romania, Srl
Racionaliz. y Manufact.Florestales, S.A.	Sierra Developments Spain – Prom.C.Com.SL
RASO - Viagens e Turismo, S.A.	Sierra Developments, SGPS, S.A.
RASO, SGPS, S.A.	Sierra Enplanta Ltda
Rio Sul – Centro Comercial, S.A.	Sierra European R.R.E. Assets Hold. B.V.
River Plaza Mall, Srl	Sierra GP Limited
River Plaza, BV	Sierra Investimentos Brasil Ltda
Rochester Real Estate, Limited	Sierra Investments (Holland) 1 B.V.
RSI Corretora de Seguros Ltda	Sierra Investments (Holland) 2 B.V.
S.C. Microcom Doi Srl	Sierra Investments Holding B.V.
Saúde Atlântica – Gestão Hospitalar, S.A.	Sierra Investments SGPS, S.A.
SC – Consultadoria, S.A.	Sierra Italy Holding B.V.
SC – Eng. e promoção imobiliária,SGPS, S.A.	Sierra Management Germany GmbH
SC Aegean B.V.	Sierra Management Italy S.r.l.
SC Assets SGPS, S.A.	Sierra Management Romania, Srl
SC Finance BV	Sierra Management Spain – Gestión C.Com.S.A.
SC Mediterraneum Cosmos B.V.	Sierra Management, SGPS, S.A.

Sierra Portugal, S.A.	Sondis Imobiliária, S.A.
SII – Soberana Invest. Imobiliários, S.A.	Sontel BV
SIRS – Sociedade Independente de Radiodifusão Sonora, S.A.	Sontur BV
SISTAVAC, S.A.	Sonvecap BV
SKK – Central de Distr., S.A.	Sopair, S.A.
SKK SRL	Sotáqua – Soc. de Empreendimentos Turist
SKKFOR – Ser. For. e Desen. de Recursos	Spanboard Products, Ltd
Sociedade de Construções do Chile, S.A.	SPF – Sierra Portugal Real Estate, Sarl
Société de Tranchage Isoroy S.A.S.	Spinarg – Engenharia, Energia e Ambiente, SA
Socijofra – Sociedade Imobiliária, S.A.	Spinveste – Gestão Imobiliária SGII, S.A.
Sociloures – Soc.Imobiliária, S.A.	Spinveste – Promoção Imobiliária, S.A.
Soconstrução BV	Sport Retalho España – Servicios Gen., S.A.
Sodesa, S.A.	Sport Zone – Comércio Art.Desporto, S.A.
Soflorin, BV	Sport Zone – Turquia
Soira – Soc.Imobiliária de Ramalde, S.A.	Sport Zone Canárias, SL
Solinca – Eventos e Catering, SA	Sport Zone España-Com.Art.de Deporte,SA
Solinca – Health and Fitness, SA	Spred, SGPS, SA
Solinca – Investimentos Turísticos, S.A.	Stinnes Holz GmbH
Solinfitness – Club Malaga, S.L.	Tableros Tradema, S.L.
Solingen Shopping Center GmbH	Tafiber, Tableros de Fibras Ibéricas, SL
SOLSWIM-Gestão e Expl.Equip.Aquáticos,SA	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 Laminat Flooring SCS
Sonae Indústria – SGPS, S.A.	Tecmasa Reciclados de Andalucia, SL
Sonae Industria de Revestimentos, S.A.	Têxtil do Marco, S.A.
Sonae Indústria Manag. Serv, SA	Tlantic Portugal – Sist. de Informação, S.A.
Sonae Investimentos, SGPS, SA	Tlantic Sistemas de Informação Ltdª
Sonae Novobord (PTY) Ltd	Todos os Dias – Com.Ret.Expl.C.Comer., S.A.
Sonae RE, S.A.	Tool GmbH
Sonae Retalho Espana – Servicios Gen., S.A.	Torre Ocidente Imobiliária, S.A.
Sonae SGPS, S.A.	Torre São Gabriel – Imobiliária, S.A.
Sonae Sierra Brasil S.A.	TP – Sociedade Térmica, S.A.
Sonae Sierra Brazil B.V.	Troia Market, S.A.
Sonae Sierra, SGPS, S.A.	Tróia Natura, S.A.
Sonae Tafibra Benelux, BV	Troiaresort – Investimentos Turísticos, S.A.
Sonae Turismo – SGPS, S.A.	Troiaverde – Expl.Hoteleira Imob., S.A.
Sonae UK, Ltd.	Tulipamar – Expl.Hoteleira Imob., S.A.
Sonae gest – Soc.Gest.Fundos Investimentos	Unishopping Administradora Ltda.
SONAEMC - Modelo Continente, SGPS, S.A.	Unishopping Consultoria Imob. Ltda.

Urbisedas – Imobiliária das Sedas, S.A. Valecenter Srl Valor N, S.A. Vastgoed One – Sociedade Imobiliária, S.A. Vastgoed Sun – Sociedade Imobiliária, S.A. Via Catarina – Centro Comercial, S.A. Viajens y Turismo de Geotur España, S.L. Vistas do Freixo, SA Vuelta Omega, S.L. Weiterstadt Shopping BV	World Trade Center Porto, S.A. Worten – Equipamento para o Lar, S.A. Worten Canárias, SL Worten España, S.A. ZIPPY - Comércio e Distribuição, SA ZIPPY - Comercio y Distribución, S.A. Zippy Turquia Zubiarte Inversiones Inmobiliarias, S.A. ZYEVLUTION-Invest.Desenv.,SA.
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FT Group Companies	
France Telecom, S.A.	Atlas Services Belgium, S.A.

SAFE HARBOUR

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

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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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