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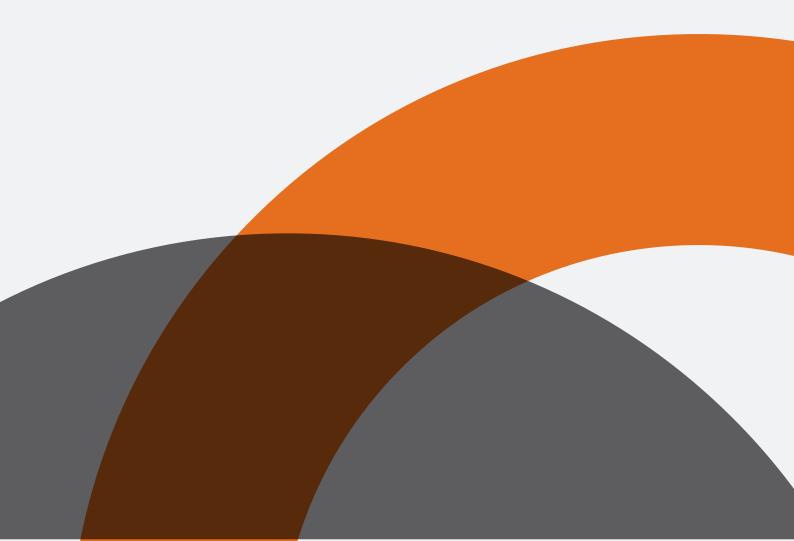
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01. Sonaecom group



Ângelo Paupério, CEO of Sonaecom

1.1. CEO's message

Sonaecom achieved its primary strategic objective for 2013 with the completion of the merger between Optimus and Zon.

With this operation, the company was able to ensure a position of controlling influence on an operator, which is clearly sustainable. The company's shareholding structure is strong and committed to the sector. The company has privileged conditions to aspire to a leadership position in Portugal and at the same time grow internationally.

The stock market reacted very positively, with Sonaecom share prince increasing in 2013 by more than 73%.

As a result of this operation, the main asset of Sonaecom became a shareholding in a listed company, which, on 29 October 2013, led the Board of Directors to launch a Public Tender Offer for the Acquisition of Own Shares, in exchange for ZON OPTIMUS shares, thereby allowing shareholders to gain direct exposure to the stock closest to an investment in telecommunications.

Once more, the reaction of the market was very positive to the operation completed in 2014 with an acceptance level of over 62%, taking the free-float to close to 10%, which naturally resulted in Sonaecom's exclusion from the PSI 20. In this way, a cycle in the life of Sonaecom has been closed in just over 15 years, having started from scratch, having "revolutionized" the telecommunications market in Portugal and having affirmed itself as the most non-conformist, active and innovative player in the market.

This result is due to the permanent support of shareholders, bringing high ambition, resilience and confidence, but is mostly due to the extraordinary team working at Sonaecom. The Sonaecom team made use of its enormous energy and expertise, did not wilt in the face of numerous difficulties encountered on the way, and has always believed in the merit of its mission.

Ângelo Paupério, CEO of Sonaecom



1.2. Group at a glance

Sonaecom is a sub-holding of the Sonae Group for the telecommunications and information technology areas, created in 1994 and first quoted on Euronext Lisbon in 2000.

Prior to the merger of Optimus and ZON, in August 2013, the portfolio of the company was composed by two business units: Optimus, an integrated telecommunications operator in Portugal and the Software and Information Systems area (SSI). The company also operated in the Online and Media segment, with a number of businesses such as "Público", a general daily newspaper which has been published in Portugal for 23 years.

Through the Optimus brand, Sonaecom had a significant presence in various segments of the telecommunications market, focusing on the mobile communications services to residential and business customers, and traditional offers of voice and data, television and an extensive combination of mobile solutions and roaming services, as well as wholesale services to third parties

After the merger between Zon and Optimus, Sonaecom reached a relevant holding in an integrated telecommunications group - the ZON OPTIMUS Group - which constitutes the main asset in its holdings portfolio.

Sonaecom holds a participation of 50% in ZOPT, SGPS, S.A., which in turn holds 50.01% of the share capital of ZON OP-TIMUS. Additionally, Sonaecom also had, until 25 February 2014, a direct stake of 7.28% in the capital of ZON OPTIMUS, SGPS, S.A.. Since that date, following the tender offer for the general and voluntary acquisition of treasury shares launched by Sonaecom, Sonaecom's direct participation in ZON OPTI-MUS was reduced to 2.14%.

1.2.1. About Sonaecom

Sonaecom is an entrepreneurial growth company that chooses exceptional people to work and unlock their full potential. Sonaecom relentlessly pursues the creation of innovative products, services and solutions that fulfil the needs of its markets and generate superior economic value.



1.2.2. Our values

Ethics and trust

Our fundamental commitment is to create economic value founded on the principles of ethical business practice and sustainable development. We take a long-term strategic view based on stakeholder relationships built around confidence and trust.

People at the centre of our success

We develop the competencies and capabilities of every Sonaecom employee through fresh challenges, an appetite for change and teamwork. Supported by an internal culture that promotes meritocracy, we believe these factors are crucial to attracting, retaining and developing people with outstanding talent and potential.

Ambition

As our guiding force, the strength of our ambition is reflected in the way we continuously challenge ourselves to remain resilient and determined in our efforts to improve our capabilities and add value to our clients.

Innovation

Innovation is the lifeblood of our business. By continuously challenging conventions, we consistently surprise the market. We believe that failure can also be a source of learning. At the same time, we are aware that it is important to balance mistakes within acceptable risk limits.

Social responsibility

We have an active sense of social responsibility. With a strong concern for the environment and the development of human knowledge, fulfilling this responsibility involves helping to improve the lives of the communities around us.

Frugality and efficiency

We value efficiency and healthy competition, and continuously strive to optimise the use of our resources while maximising their returns.

Co-operation and independence

We take a position of independence and autonomy in relation to central and local government. That said, we are always ready to co-operate with the authorities to improve the regulatory, legislative and social environment.

1.3. Corporate developments in 2013

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.

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., for 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.

Sonaecom dividend payment

In accordance with legal requirements and pursuant to the decision taken at the Annual Shareholders' General Meeting held on 24 April 2013, dividends relating to the year ending 31 December 2012 were made available to shareholders on 22 May 2013 and corresponded to a gross dividend per share of 12 euro cents.

Closing of the merger between ZON and Optimus

Following final deliberation of the Portuguese Competition Authority, stating non-opposition to the concentration process between ZON Multimédia - Serviços de Telecomunicações e Multimédia, SGPS, S.A. and Optimus SGPS, S.A., the commercial registry of the merger between the two companies was made on 27 August.

Acquisition of 50% of Sonaecom's shareholders loans to ZOPT

Following the share capital increase of its subsidiary ZOPT, SGPS, S.A., Kento Holding Limited and Unitel International Holdings, B.V., owning 50% of the share capital and voting rights of ZOPT, acquired 50% of Sonaecom's shareholder loans to ZOPT. As a result of this operation, on 30 August 2013, Sonaecom received a total amount 119.6 million euros.

Sonae exercises its call option with Atlas Services Belgium (ASB), buying 20% of Sonaecom's share capital

Following the exercise, by Sonae, of the call option set out in the agreement settled on February 2013, ASB sold to Sonae, on 9 September 2013, 73,249,374 shares of Sonaecom, representing 20% of the share capital and voting rights of the company.

Goldman Sachs qualified holding

On 23 October 2013, Goldman Sachs Inc. informed Sonaecom about the completion, on 18 October, of a qualifying holding of 2.12% in Sonaecom, corresponding to 7,780,349 shares and voting rights.

Preliminary announcement on Sonaecom tender offer for the acquisition of treasury shares

On 29 October 2013, Sonaecom announced the decision taken by its Board of Directors to make a partial and voluntary tender offer for the acquisition of a maximum of 88,479,803 shares, representing 24.16% of its own share capital.

Sonaecom's shareholders were given the option to sell, in equal standing conditions, their Sonaecom shares for consideration of the directly held 37,489,324 ZON OPTIMUS shares, which are not necessary to the pursuit of Sonaecom's business purposes, thereby giving Sonaecom shareholders direct exposure to ZON OPTIMUS.

Sonaecom offered an overall price equivalent to 2.45 euros per Sonaecom share, to be composed of ZON Optimus shares and, where applicable, a remaining cash amount. To determine the Sonaecom/ZON OPTIMUS share trade ratio, a ZON OPTIMUS price of 5.08 euros was considered.

Shareholders' Extraordinary General Meeting

On 18 November 2013, at Sonaecom Shareholders' Extraordinary General Meeting, the sole item of the agenda was approved with a majority of 99.31% of the voting rights represented. The sole item on the agenda consisted in the reduction of the share capital in the amount corresponding to the product of the number of company shares purchased through the tender offer for the acquisition of treasury shares, by the amount of 2.45 euros, by cancelling the treasury shares so acquired and reducing the nominal value of the remaining company shares, with the purpose of releasing the necessary funds to execute the offer, thereby accordingly amending paragraphs one and two of article five of the Articles of Association.

1.4. Subsequent events

Announcement on transaction by persons discharging managerial responsibilities

On 23 and 24 January 2014, under terms previously authorized by the Portuguese Securities Market Commission, CMVM, Sonae – SGPS, S.A. (Sonae) acquired over the counter 1,454,134 Sonaecom shares from Sonaecom directors and related parties.

The consideration of this acquisition was determined and settled on 20 February 2014, the date of calculation of the results of the tender offer, by the same amount paid to the shareholders who accepted the offer. Following this transaction, Sonae became the direct holder of 78,133,508 shares and the indirect holder of 194,063,119 shares, giving Sonae a total participation of 272,196,627 Sonaecom shares.

Announcement on Sonaecom tender offer for the acquisition of treasury shares

On 5 February 2014, Sonaecom made public the decision to launch a general and voluntary tender offer for the acquisition of shares representing the share capital of Sonaecom.

The offer was general and voluntary, with the offerer obliged to acquire all the shares that were the object of the offer and were, until the end of the respective period, subject to valid acceptance by the recipients.

The period of the offer, during which sales orders were received, ran for two weeks, beginning on 6 February and ending on 19 February 2014.

On 20 February 2014, the results of the offer were released. The level of acceptance reached 62%, corresponding to 54,906,831 Sonaecom shares. Euronext announced Sonaecom exclusion from the PSI-20 from 24 February 2014.

The physical and financial settlement of the offer occurred on 25 February 2014, being the consideration of the offer composed by 26,476,792 ZON OPTIMUS shares and 19,631 euros.

Following the offer, Sonaecom became the holder of 11,012,532 ZON OPTIMUS shares, corresponding to 2.14% of the company's share capital.

Goldman Sachs qualified holding

On 28 February 2014, Goldman Sachs Inc. informed Sonaecom about the reduction of its qualifying holding on 25 February 2014 from 2.12% to 0.79% of its share capital, corresponding to 2,881,353 shares and voting rights.

Director's Transactions

Sonae-SGPS, S.A. informed Sonaecom on the acquisition, from 24 february to 7 march 2014, of shares representing the share capital and voting rights of Sonaecom. After the completion of this transaction, Sonae is the direct holder of 79,097,818 shares of Sonaecom, and the 194.063.119 voting rights corresponding to the shares held by its subsidiary Sonae Investiments, B.V. will continue to be attributable to it.

1.5. Proposal for the application of results

The Board of Directors proposes that the negative Net Results registered in the Individual Accounts in the amount of 90,569,383.38 euros is fully transferred to Other Reserves.

1.6. Acknowledgements

Sonaecom would like to thank its statutory external auditor for the valuable advice and help it has given us during 2013 and its Statutory Audit Board for the close monitoring of our business.

We would also like to express our gratitude to our suppliers, commercial partners, financial institutions and the Group's other associates for their continuing involvement with our businesses and the confidence they again demonstrated in our organisation during 2013.

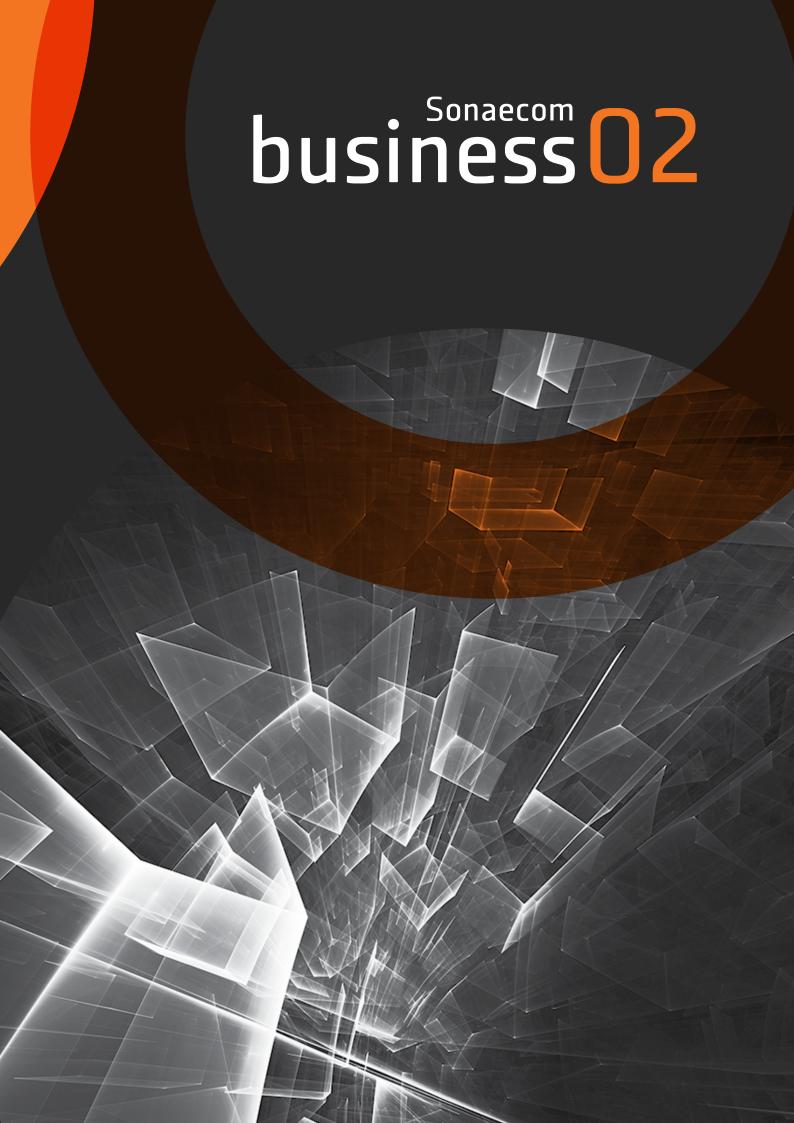
Sonaecom's Executive Committee would like to thank our Non-Executive Directors for another year of valuable guidance and advice.

Finally, we would like to express our gratitude to all employees, who constitute the company's most valuable resource. Once again, they have demonstrated remarkable resilience, flexibility and innovative spirit. Clearly, their efforts remain the basis of Sonaecom's continuing success.









02. Sonaecom business

2.1. Business overview

The year of 2013 was marked by the consolidation operation between ZON and OPTIMUS, in August 2013. As a result, Sonaecom adjusted its 2012 and 2013 financial statements to reflect the new structure following the merger.

Accordingly:

- . The Sonaecom SSI and Público businesses remain fully consolidated;
- . the 50% shareholding in ZOPT (which holds 50.01% of ZON OPTIMUS) is consolidated through the equity method from the end of August 2013;
- . Optimus is registered as a discontinued operation until the end of August 2013;
- . the 7.28% direct holding in ZON OPTIMUS is recorded as 'Investment at fair value through profit or loss', being subject to share price variations.

Sonaecom results in 2013 were particularly strong in turnover, growing 12.1% when compared with 2012, to 1170 million euros. As for the operating profitability performance, the EBITDA reached 71.7 million euros, decreasing 30.8% y.o.y. mostly due to discontinued operations' evolution.

2.1.1. Sonaecom Consolidated Results

Turnover

Consolidated turnover in 2013 stood at 117.0 million euros, up 12.1% compared to 2012.

This rise was fuelled by an increase of 16.4% in service revenues, thanks to SSI's business, and a 2.5% increase in product sales.

Operating costs

Operating costs amounted to 113.8 million euros, 2.1% above 2012. Despite the decrease of 1.3% in commercial costs, personnel costs and other operating costs increased between 2012 and 2013, driven by increased activity in the SSI division.

Total EBITDA stood at 71.7 million euros, down 30.8% compared to 2012, primarily as a result of discontinued operations.

As for the EBITDA attributable to Sonaecom, resulting from the companies being consolidated through the equity method, the figure has decreased from 0.0 million euros to minus 0.5 million euros, driven by ZOPT contribution, that in turn is impacted by the evolution of ZON OPTIMUS's net income, which decreased 44.5% y.o.y.. It should be noted that this contribution to Sonaecom's EBITDA totalled negative 0.5 million euros in 2013.

The underlying EBITDA stood at 5.9 million euros, an improvement of more than 10 million euros compared with the negative 5.1 million euros registered in 2012.

The underlying EBITDA margin reached 5.1%, up 9.9pp y.o.y., benefiting from the increased volume of service revenues in the total turnover, which grew from 69.1% to 71.7%.

Net results

Despite the lower level of depreciation and amortization (D&A), Sonaecom's EBIT decreased 27.3% y.o.y. to 65.0 million euros.

Net financial results showed a very positive performance, totalling 42.6 million euros in 2013 thanks to higher income combined with lower expenses. The direct participation in ZON OPTIMUS registered a gain of 37.5 million euros between 30 September and 31 December 2013, driven by an increase in ZON OPTIMUS's share price from 4.40 euros to 5.40 euros.

Sonaecom's earnings before tax (EBT) improved significantly from 75.4 million euros to 107.6 million euros, up by 42.7% y.o.y..

Net results, group share, stood at 103.8 million euros, up 37.7% compared to 2012.

Operating CAPEX

Sonaecom's operating CAPEX increased from 5.8 million euros to 7.9 million euros, reflecting the operating CAPEX trend at Sonaecom's SSI division.

Capital structure

Gross debt reached 29.5 million euros versus 376.5 million euros in 2012.

Net debt stood at a very comfortable negative 162.1 million euros – a positive cash position – versus 251.2 million euros in 2012. This was thanks to the acquisition of 50% of Sonaecom's shareholder loans to ZOPT from Kento Holding Limited and Unitel International Holdings, B.V..

2.1.2. Sonaecom Consolidated Income Statement

MILLION EUROS								
Consolidated income statement	4Q12 ^(R)	4Q13	Δ13/12	3Q13	p.o.q	2012 ^(R)	2013	Δ 13/12
Turnover	26.1	30.2	15.9%	29.3	3.2%	104.3	117.0	12.1%
Service Revenues	19.7	22.1	12.6%	20.7	6.9%	72.1	83.9	16.4%
Product Sales	6.4	8.1	25.9%	8.5	(5.7%)	32.2	33.1	2.5%
Other Revenues	1.0	1.0	(2.1%)	1.8	(46.4%)	2.0	3.5	72.5%
Operating Costs	28.6	27.1	(5.2%)	29.5	(8.2%)	111.5	113.8	2.1%
Personnel Costs	12.0	10.8	(9.5%)	10.9	(0.9%)	42.6	43.3	1.6%
Commercial Costs ⁽¹⁾	5.5	6.3	14.5%	8.7	(28.4%)	28.7	28.4	(1.3%)
Other Operating Costs ⁽²⁾	11.1	10.7	(3.7%)	9.9	8.8%	40.1	42.9	6.9%
EBITDA	21.0	0.7	(96.8%)	19.7	(96.6%)	103.5	71.7	(30.8%)
Underlying EBITDA(3)	(1.6)	3.3	-	1.5	121.7%	(5.1)	5.9	-
Equity method ⁽⁴⁾	(0.4)	(2.7)	-	1.9	-	0.0	(0.5)	-
Discontinued operations ⁽⁵⁾	22.9	0.0	(100.0%)	16.2	(100.0%)	108.6	66.2	(39.0%)
Unerlying EBITDA Margin (%)	(6.0%)	11.0%	17.Орр	5.1%	5.9pp	(4.9%)	5.1%	9.9рр
Depreciation & Amortization	5.6	1.4	(75.2%)	2.2	(35.0%)	14.1	6.6	(53.0%)
EBIT	15.4	(0.7)	-	17.5	-	89.4	65.0	(27.3%)
Net Financial Results	(4.0)	37.6	-	11.6	-	(13.9)	42.6	-
Financial Income	0.7	33.6	-	15.5	116.7%	2.6	49.7	-
Financial Expenses	4.7	(4.0	-	3.9	-	16.5	7.1	(57.1%)
EBT	11.3	36.8	-	29.1	26.7%	75.4	107.6	42.7%
Tax results	0.2	(1.1)	-	(0.9)	(27.0%)	(0.0)	(3.9)	-
Net Results	11.5	35.7	-	28.2	26.7%	75.4	103.8	37.6%
Group Share	11.5	35.8	-	28.2	26.9%	75.4	103.8	37.7%
Attributable to Non-Controlling Interests	0.0	(0.1)	-	(0.0)	-	0.0	(0.1)	-

⁽¹⁾ Commercial Costs = COGS + Mktg & Sales Costs;

⁽²⁾ Other Operating Costs = Outsourcing Services + G&A + Provisions + others;

 $[\]hbox{(3) Includes the businesses fully consolidated by Sonaecom;}\\$

⁽⁴⁾ Includes the 50% holding in Unipress, the 50% holding in Infosystems, the 45% holding in SIRS and, from the end of August 2013, the 50% holding in ZOPT; and the sum of August 2013, the 50% holding in DOPT 2013, the sum of August 2013, the 50% holding in DOPT 2013, the 50% holding

⁽⁵⁾ Includes Optimus contribution before the closing of the merger between ZON and Optimus, i.e., until the end of August 2013;

⁽R) The values were adjusted in order to reflect Sonaecom structure following the merger between ZON and Optimus.

2.1.3. Sonaecom Consolidated Balance Sheet

MILLION ELIDOS								
MILLION EUROS	/ 013	/ 017	A 17/10	7017		2012	2017	A 17/10
Consolidated balance sheet	4Q12	4Q13	Δ 13/12	3Q13	q.o.q.	2012	2013	Δ 13/12
Total Net Assets	1,898.9	1,227.1	(35.4%)	1,195.2	2.7%	1,898.9	1,227.1	(35.4%)
Non Current Assets	1,583.2	767.3	(51.5%)	935.3	(18.0%)	1,583.2	767.3	(51.5%)
Tangible and Intangible Assets	960.5	22.2	(97.7%)	19.5	13.5%	960.5	22.2	(97.7%)
Goodwill	518.0	28.4	(94.5%)	29.6	(4.0%)	518.0	28.4	(94.5%)
Investments	1.2	711.4		880.6	(19.2%)	1.2	711.4	
Deferred Tax Assets	101.1	5.2	(94.9%)	5.5	(6.0%)	101.1	5.2	(94.9%)
Others	2.4	0.0	(98.3%)	0.0	0.0%	2.4	0.0	(98.3%)
Current Assets	315.7	459.8	45.6%	259.9	76.9%	315.7	459.8	45.6%)
Trade Debtors	144.9	36.4	(74.9%)	29.6	23.0%	144.9	36.4	(74.9%)
Liquidity	61.7	188.0		197.8	(4.9%)	61.7	188.0	
Others	109.0	235.3	115.8%	32.5		109.0	235.3	115.8%
Shareholders' Funds	1,083.2	1,136.8	4.9%	1,102.6	3.1%	1,083.2	1.136.8	4.9%
Goup Share	1,082.9	1,136.5	5.0%	1,102.3	3.1%	1,082.9	1,136.5	5.0%
NonControlling Interests	0.4	0.3	(30.4%)	0.3	(16.6%)	0.4	0.3	(30.4%)
Total Liabilities	815.6	90.3	(88.9%)	92.6	(2.5%)	815.6	90.3	(88.9%)
Non Current Liabilities	296.0	29.3	(90.1%)	31.3	(6.5%)	296.0	29.3	90.1%)
Bank Loans	196.2	24.8	(87.4%)	25.7	(3.4%)	196.2	24.8	(87.4%)
Provisions for Other Liabilities and Charges	43.7	3.1	(93.0%)	4.3	(28.1%)	43.7	3.1	(93.0%)
Others	56.1	1.4	(97.4%)	1.4	2.4%	56.1	1.4	(97.4%)
Current Liabilities	519.6	61.0	(88.3%)	61.2	(0.4%)	519.6	61.0	(88.3%)
Bank Loans	187.2	1.0	(99.5%)	3.7	(72.7%)	187.2	1.0	(99.5%)
Trade Creditors	168.8	21.8	(87.1%)	18.1	20.6%)	168.8	21.8	(87.1%)
Others	163.7	38.2	(76.6%)	39.5	(3.3%)	163.7	38.2	(76.6%)
Operating CAPEX ⁽¹⁾	3.6	3.4	(4.7%)	1.4	142.2%	5.8	7.9	36.5%
Operating CAPEX as % of Turnover	13.9%	11.4%	(2.5pp)	4.9%	6.6рр	5.5%	6.7%	1.2рр
Total CAPEX	3.6	3.4	(4.8%)	1.4	142.2%	15.8	8.3	(47.5%)
EBITDA Operating CAPEX	(5.2)	(0.1)	97.6%	0.1		(10.9)	(2.0)	82.0%
Gross Debt	376.5	25.9	(93.1%)	29.5	(12.0%)	376.5	25.9	(93.1%)
Net Debt	251.2	(162.1)		(168.3)	3.7%	251.2	(162.1)	

⁽¹⁾ Operating CAPEX excludes Financial Investments.

Note: The 2012 and 2013 information was restated in order to consolidate the 50% holding in Unipress, the 50% holding in Infosystems and the 45% holding in SIRS through the equity method.



2.1.4. Sonaecom Consolidated Free Cash Flow (FCF)

MILLION EUROS								
Levered free cash flow	4Q12 ^(R)	4Q13	Δ 13/12	3T13	q.o.q.	2012 ^(R)	2013	Δ 13/12
Pro-forma EBITDA-Operating CAPEX ⁽¹⁾	(3.1)	(0.1)	96.0%	1.2	-	(2.3)	3.0	-
Change in WC	(0.3)	(8.5)	-	(1.9)	-	(4.4)	(8.4)	(92.8%)
Non Cash Items & Other	1.9	(0.1)	-	8.0)	90.0%	3.8	(0.6)	-
Operating Cash Flow	(1.6)	(8.7)	-	(1.5)	-	(2.9)	(6.0)	(105.1%)
Investments	0.0	0.0	100.0%	115.0	(100.0%)	(6.0)	113.8	-
Own shares	0.0	0.0	-	0.0	-	(3.4)	(2.5)	26.1%
Financial results	1.5	1.0	(32.0%)	10.3	(90.2%)	(2.8)	16.5	-
Income taxes	(0.5)	(0.8)	(65.3%)	(1.2)	34.3%)	(0.6)	(3.2)	-
FCF ⁽²⁾	(0.6)	(8.5)	-	122.5	-	(15.7)	118.6	-
<u> </u>								

⁽¹⁾ Pro-forma EBITDA-Operating CAPEX does not exclude the balances and transactions with Optimus:

2.2. ZON OPTIMUS

- · New organizational structure in place since the end of the year and restructuring process initiated and well underway
- · Very high customer enthusiasm for convergent offer with ZON4i reaching 300 thousand RGUs just 3 months after launch
- EBITDA was almost flat yoy at 536.6 million euros, representing an EBITDA margin of 37.6%, an increase of 0.9 pp in comparison with the previous year
- · Net Income impacted by non-recurrent costs, primarily driven by the merger, which in total amounted to 60.9 million euros in FY13
- · Very positive performance in Recurrent FCF which grew by 10.7% yoy to 147.6 million euros

MILLION EUROS								
ZON OPTIMUS pro-forma highlights	4Q12	4Q13	Δ 13/12	3Q13	q.o.q.	2012	2013	Δ 13/12
Operating Revenues	370.0	356.3	(3.7%)	361.6	(1.5%)	1,473.7	1,426.8	(3.2%)
EBITDA	127.9	118.3	(7.5%)	139.9	(15.4%)	541.4	536.6	(0.9%)
EBITDA margin (%)	34.6%	33.2%	0.2рр	38.7%	-	36.7%	37.6%	1.5рр
Net Income	21.5	(13.1)	-	18.4	-	114.3	63.4	(44.5%)
CAPEX	80.7	80.7	0.0%	61.6	31.0%	297.2	269.5	(9.3%)
EBITDA-CAPEX	47.2	37.6	(20.3%)	78.3	(52.0%)	244.2	267.1	9.4%

ZON OPTIMUS operating revenues reached 1.4 billion euros in 2013, decreasing 3.2% when compared to 2012.

EBITDA stood at 536.6 million euros, virtually decreasing 0.9% when compared to 2012. CAPEX decreased from 297.2 million euros to 269.5 million euros, less 9.3%.

As a consequence of EBITDA and CAPEX evolution, EBITDA-CAPEX grew 9.4% y.o.y., to 267.1 million euros.

With the integration process in place, Net income reached 63.4 million euros, less 44.5% when compared to 2012.

⁽²⁾ FCF Levered after Financial Expenses but before Capital Flows and Financing related upfront costs. FCF is calculated based on pro-forma EBITDA-Operating CAPEX and does not consider intercom-

⁽R) The values were adjusted in order to reflect Sonaecom, SGPS, S.A. structure following the merger between ZON and Optimus.

2.3. SSI business









2.3.1. Key market developments 2013

WeDo Technologies

WeDo Technologies ended 2013 with a solid set of results, evidence that the business's strategy for 2011-15 is being successfully executed. WeDo Technologies' turnover grew 10% when compared to 2012, reaching 59 million euros (total revenues reached 62 million euros, approximately USD 83 million, growing 12% y.o.y.), while EBITDA grew 36% to 12 million euros (USD 16 million), corresponding to an EBITDA margin of 20%.

WeDo Technologies started 2013 with a disproportionate backlog of orders. Both the revenue and EBITDA evolution demonstrate why WeDo Technologies' delivery team is considered to be one of the best in the industry. The company continues to set the benchmark when it comes to delivering on time, on quality and on budget. By focusing on delivery, the company relieved the pressure on sales to some extent. On the other hand, competitive pressure decreased sharply. The number of requests for proposals decreased substantially due to a supply-side industry re-structuring. Several key competitors underwent internal changes and, at the same time, the continuation of the expected demand-side telecom industry consolidation is also taking its toll on order books.

Despite this, WeDo Technologies won 20 new customers and entered in five new countries, ending 2013 with over 200 customers across 90 countries in five continents. WeDo Technologies has also signed group global agreements with two major telecommunications operators, bringing its total number of group deals to 12.

Given these achievements, we are confident that WeDo Technologies will continue to reinforce its leading position in the international revenue assurance and fraud management software market, increasing its global market share and becoming a multiindustry software company through its enterprise business assurance software, RAID.

In July 2013, a report by analyst firm Gartner named WeDo Technologies as the market share leader in providing revenue assurance and fraud management solutions to telecoms operators worldwide. The report - entitled Market Share: Telecom Operations Management Systems (BSS, OSS and SDP), Worldwide, 2011-2012 - was updated in June following its original release in March 2013. It also places WeDo Technologies among the top 50 BSS, OSS and SDP vendors globally based on market share, in 41st place.

RAID 7.0 has been making strong progress and is fully aligned with our strategy. This major release, available from the beginning of 2013, has already generated remarkably positive feedback. The outlook for our RAID managed service offering looks promising: our managed services product line revenues grew by 69%.

The Southern Europe, Middle East and Africa region is showing excellent, well above-average growth in its telecom industry target market with a 34% increase in booked orders and a 15% increase in revenues.

In addition, WeDo Technologies' orders and revenues grew by 71% and 19% respectively in the retail, energy and finance industries. As at 31 December 2013, the number of customers outside the telecom sector was 31.

During 2013, the company also undertook a major strategic planning exercise, involving around 70 of its most senior employees worldwide. All those involved in the exercise underwent intensive strategy planning training. The objective was to prepare the company for the 2014-20 business cycle.

Looking ahead, WeDo Technologies will strengthen its global leadership in the revenue assurance telecoms market, complementing its portfolio with fraud management solutions and business assurance in telecoms and other sectors.

Mainroad

In 2013, Mainroad celebrated 10 years in business. During its first decade, the business passed several milestones en route to becoming one of the most well-known and highly awarded Portuguese and European providers of data center services (with three tier III data centers), IT outsourcing, IT service management (ITSM) and cloud services - among other IT solutions.

With more than 120 customers worldwide, Mainroad currently provides services to customers in four continents from its offices in Lisbon, Porto and Madrid.

During 2013, Mainroad continued its international expansion drive by providing services and sales expertise in different territories. With this aim in mind, the business focused on reinforcing its sales team and efforts in different markets, such as Spain and Angola. These efforts were complemented by the implementation of local marketing activities, as Mainroad organised events and go-tomarket activities in Spain, Angola and Mozambique - among other locations.

In terms of its offer, Mainroad continued to develop its Trusted Cloud service. Building on its IaaS, DaaS and managed mobile solutions, Trusted Cloud expanded by introducing solutions such as Main Drive, Main IT Monitoring and Main IT Service Desk ondemand. These solutions are showcased on Mainroad's website (www.mainroad.pt/trustedcloud).

The business also developed new ITSM solutions, reinforcing its portfolio with IT Monitoring, Service Desk, Client Automation and Performance Management - among other solutions.

To provide our customers with better support and achieve even higher levels of satisfaction, Mainroad implemented a new monitoring and service desk platform. Based on CA Nimsoft, this platform provides a better reach and evaluation of our customers' infrastructure, date security, requests and reports. It also enables Mainroad to activate customer tools more quickly and effectively, ensuring that all tasks associated with new or existing customers and services are performed correctly.

With the focus still on improving customer service and satisfaction, Mainroad's Support Center, Monitoring and Operation 24x7 Team became the first team in the SSI group to use the Kaizen methodology to manage its day-to-day operations through its loW - Improve our Work initiative. The results have been excellent and have encouraged the organisation to extend the initiative to other departments.

While Mainroad's focus has been on continuously improving its services, solutions and customer service, the business retained its Advanced SAP Hosting Partner certification, which allows it to launch new, complementary and unique offers to the market. Mainroad also retained its certification as a Microsoft Hosting Silver Partner and its ISO 9001 quality management certification.

Bizdirect

In 2013, Bizdirect retained its leadership position for delivering multi-brand IT solutions and managing corporate software licensing contracts. The strategic areas developed in 2013 reinforced the business's market positioning as a specialised player in Microsoft solutions' integration and software asset management consulting.

In addition to the IT sector's delayed recovery caused by unstable macroeconomic conditions, Bizdirect faced enormous challenges when it came to developing two business areas in the early stage. In its more mature business areas, the company had to focus on maintaining its competitive strengths among the leading manufacturers while working more closely with customers in a consultative way. Bizdirect's market knowledge and its differentiation enabled it to achieve both objectives.

When it came to Microsoft solutions' integration, the challenge was to assess opportunities in the market, engage new customers, find the right partnerships and create awareness. Here, it was crucial to ensure high quality standards and deliver projects on time. The business achieved these objectives thanks to the efforts of its highly qualified and dedicated team.

New additions to Bizdirect's customer list included: Grupo Arena, Entreposto, Abreu Advogados, Critical Software, Adene, Codipor, SIVA, Deco, Instituto de Informática, Alvo and Grupo Arié.

It is important to mention that Bizdirect achieved Microsoft Silver Certification in Customer Relationship Management.

In Software Asset Management, the business won two major corporate customers. The challenge in this area was to offer a distinctive and recognised consulting service and to demonstrate the high value of best practices and prevention in software asset management. This process of alerting the market to these strengths got underway and continues to generate leads.

Bizdirect's four strategic pillars are:

Infrastructure - Designing and provisioning hardware, supported by multi-brand certified partnerships that deliver efficiency, return on investment and trust to its customers;

Licensing - Operational management of corporate licensing contracts, maximising benefits to the customer by centralising the entire management process and negotiating on a single contact. The main manufacturers covered are Microsoft, CA, IBM and Oracle:

Solutions - Integration and development of business solutions focused on the use of Microsoft technologies, based on technology platforms such as Dynamics CRM (customer relationship management); SharePoint (portals and collaborations); BizTalk (process management and integration);

SAM - A process to support compliance validation software that involves analysing and optimising software, consolidating the licenses and/or proposing new licensing models.

Bizdirect also promoted brand awareness in the media through press releases and case studies developed in collaboration with customers in the Microsoft Solutions area.

In 2013, Bizdirect also submitted an application to QREN, Portugal's National Strategic Reference Framework, for an innovation project involving sentiment analysis on social networks, which is being developed by our Solutions team.

Bizdirect is successfully implementing its strategy to offer the market greater value by broadening its portfolio and maximising synergies across interconnected business areas.

In 2014 Bizdirect will continue to pursue sustainable growth, with a significant focus on selling solutions and services in international markets while maintaining high levels of customer satisfaction and excellence among its employees.

Saphety

Despite a difficult business environment and economic constraints throughout 2013, particularly in Portugal with its bailout programme, Saphety achieved its key objectives with its commitment to internationalisation and the consolidation of new businesses and products.

The business's customer portfolio grew 19% and currently comprises over 8,100 companies with more than 100,000 active users on its platforms.

During 2013, Saphety invested strongly in expanding into new countries, opening new offices in Brazil and Colombia. In parallel, it signed partnership agreements in the Baltic, Kazakhstan, Mexico and Kenya. Here, the strategy is to identify partners capable of delivering added value while representing Saphety's solutions and indirectly developing business in each market. This approach has paid off with, for example, the implementation of new projects in Finland and Denmark.

In the Portuguese market, Saphety launched SaphetyDrive and achieved certification from the national tax authorities for its SaphetyDoc software, SaphetyDoc+. In response to the market's needs, SaphetyDrive allows the dematerialisation of electronic transport documents, now mandatory in Portugal, making Saphety a leader in this sector.

Last year was also marked by the consolidation of Saphety's presence across mobile platforms that allow users to be even more closely connected to Saphety's different platforms.

In 2014, Saphety aims to stimulate the growth and profitability of its business, strengthening its position in the domestic market, broadening its service range, and - particularly in the international market - continuing its current direct operations while selecting new distributors. The ultimate objective is to fulfil its mission by helping customers to continuously improve their business processes with best-in-class technological solutions that ensure cost reduction, efficiency, innovation and sustainability.

2.3.2. Operational data

IT service revenues per employee reached 136.5 thousand euros in 2013, 2.0% below 2012. The 6.9% growth in service revenues did not totally offset the 5.3% headcount increase. The EBITDA per employee reached 21.5 thousand euros, growing 8.3% y.o.y, driven by the very positive EBITDA evolution.

Equipment sales as percentage of turnover decreased y.o.y. from 21.7% to 20.7%, driven by Bizdirect's equipment sales.

MAIN OPERATING KPI's	4Q12	4Q13	Δ13/12	3Q13	q.o.q	2012	2013	Δ 13/12
IT Service Revenues/Employee(1) ('000 euros)	35.8	31.4	(12.3%)	32.9	(4.6%)	139.3	136.5	(2.0%)
Equipment Sales as % Turnover	18.8%	21.6%	2.8pp	24.0%	(2.5pp)	21.7%	20.7%	(1.0pp)
Equipment Sales/Employee ⁽²⁾ ('000 euros)	162.7	179.3	10.2%	218.7	(18.0%)	960.4	725.6	(24.4%)
EBITDA/Employee ('000 euros)	7.5	5.9	(22.0%)	5.3	9.9%	19.9	21.5	8.3%
Employees	641	675	5.3%	683	(1.2%)	641	675	5.3%

 $^{(1) \, {\}sf Excluding employees} \\ {\sf dedicated to Equipment Sales};$

2.3.3. Financial data

3 Δ13/12 3 (4.1% 2 (7.4% 5 10.29 3 20.69 9 (3.5% 1 1719 3 2.39 3 (13.0%) 28.2) 21.4 6 6.8 6 1.4) 26.0 6 8.9 6 7.1	(5.8%) (18.0%)	103.8 81.3 22.6 1.5 93.3	2013 109.6 86.9 22.7 2.7 97.3 34.5 23.1	Δ 13/12 5.5% 6.9% 0.5% 82.1% 4.3% 12.3% (2.7%)
3 (4.1% 2 (7.4% 5 10.29 8 20.69 9 (3.5% 1 17.19 3 2.39) 28.2) 21.4 6 6.8 6 1.4) 26.0 6 8.9 6 7.1	(8.7%) (5.8%) (18.0%) (43.4%) (15.7%) (9.3%)	103.8 81.3 22.6 1.5 93.3 30.7	109.6 86.9 22.7 2.7 97.3 34.5	5.5% 6.9% 0.5% 82.1% 4.3% 12.3%
2 (7.4% 5 10.29 8 20.69 9 (3.5% 1 17.19 3 2.39	21.4 6 6.8 6 1.4 0) 26.0 6 8.9 6 7.1	(5.8%) (18.0%) (43.4%) (15.7%) (9.3%)	81.3 22.6 1.5 93.3 30.7	86.9 22.7 2.7 97.3 34.5	6.9% 0.5% 82.1% 4.3% 12.3%
5 10.29 8 20.69 9 (3.5% 1 17.19 3 2.39	6 6.8 6 1.4 1) 26.0 6 8.9 6 7.1	(18.0%) (43.4%) (15.7%) (9.3%)	22.6 1.5 93.3 30.7	22.7 2.7 97.3 34.5	0.5% 82.1% 4.3% 12.3%
3 20.69 3.5% 1 17.19 3 2.39	6 1.4) 26.0 6 8.9 6 7.1	(43.4%) (15.7%) (9.3%)	1.5 93.3 30.7	2.7 97.3 34.5	82.1% 4.3% 12.3%
9 (3.5% 1 17.1% 3 2.3%	26.0 6 8.9 6 7.1	(15.7%)	93.3 30.7	97.3 34.5	4.3% 12.3%
1 17.1% 3 2.3%	6 8.9 6 7.1	(9.3%)	30.7	34.5	12.3%
3 2.3%	6 7.1	,			
		(25.8%)	23.7	23.1	(2.7%)
3 (13.0%					
•) 10.0	(7.3%)	38.8	40.4	4.0%
) (17.9%) 3.6	8.6%	12.0	14.4	19.2%
6 (2.6pp) 12.9%	2.5pp	11.6%	13.1%	1.5рр
3 (12.7%) 1.3	120.2%	4.9	6.9	-
6 (1.1pp) 4.5%	6.4рр	4.7%	6.3%	1.5pp
2 (28.3%) 2.4	(51.0%)	7.2	7.5	4.9%
(12.8%) 1.3	120.1%	14.9	7.3	(51.3%)
%	% (1.1pp	% (1.1pp) 4.5% .2 (28.3%) 2.4	% (1.1pp) 4.5% 6.4pp 2 (28.3%) 2.4 (51.0%)	% (1.1pp) 4.5% 6.4pp 4.7% 2 (28.3%) 2.4 (51.0%) 7.2	% (1.1pp) 4.5% 6.4pp 4.7% 6.3% 2 (28.3%) 2.4 (51.0%) 7.2 7.5

⁽¹⁾ Commercial Costs = COGS + Mktg & Sales;



⁽²⁾ Other Operating Costs = Outsourcing Services + G&A+ Provisions + others;

⁽³⁾ Operating CAPEX excludes Financial Investments.

Turnover

Turnover continued to benefit from the international expansion of SSI companies, growing 5.5% in 2013 to 109.6 million euros, driven by the very positive performance of service revenues, which increased from 81.3 million euros to 86.9 million euros, a growth of 6.9% y.o.y.. The evolution of equipment sales was relatively stable, increasing 0.5% compared to 2012, a clear recovery when compared with last quarters' performances.

Operating costs

Operating costs increased 4.3% versus 2012 to 97.3 million euros, impacted by higher personnel and other operating costs. Personnel costs increased 12.3% to 34.5 million euros, driven by headcount growth, especially at WeDo Technologies, designed to support increased activity levels across the subsidiaries. Other operating costs increased 4.0% y.o.y. to 40.4 million euros, impacted mostly by the higher outsourcing costs, aligned with the increased level of international activity.

Commercial costs stood at 23.1 million euros, 2.7% below 2012, impacted by the lower cost of goods.

EBITDA

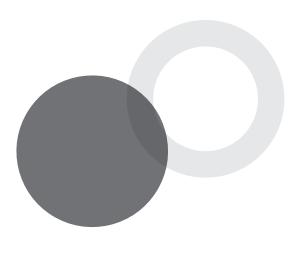
EBITDA continued its positive trend fuelled by the growth of service revenues, which more than offset the higher operating costs. Between 2012 and 2013, SSI EBITDA increased 19.2%, reaching 14.4 million euros.

Benefiting from the increased volume of service revenues in the total turnover, the EBITDA margin was 13.1%, 1.5pp above 2012.

EBITDA-operating CAPEX

As a result of EBITDA and operating CAPEX performances, EBITDA-operating CAPEX stood at 7.5 million euros, improving 4.9% compared to 7.2 million euros in 2012.





2.4. Sonaecom SGPS individual results

2.4.1. Operational data

Sonaecom SGPS's individual results for the years ended 31 December 2013 and 2012 are summarised as follows:

MILLION EUROS	2012	2013	Δ	%
Service Revenues	3.5	2.6	(0.9)	(24.7%)
Operating Costs (1)	(4.3)	(4.5)	(0.1)	3.3%
EBITDA	(0.9)	(1.8)	(1.0)	110.9%
EBIT	(0.9)	(1.9)	(1.0)	102.4%
Dividend Received	129.5	24.7	(104.8)	-
Net Financial Activity	1.2	13.6	12.4	-
Other Financial Results	(26.6)	(120.7)	(94.1)	354.4%
EBT	103.1	(89.1)	(192.2)	(186.4%)
Net Income	103.2	(90.6)	(193.8)	(187.7%)

⁽¹⁾ Excluding depreciation, amortisation and provisions.

On 31 December 2013, Sonaecom SGPS's Executive Board of Directors was composed of four directors. The number of directors did not change compared to 2012. For additional information, please refer to Section 4 - Sonaecom management.

Service revenues

This line totalled 2.6 million euros, which compares to 3.5 million in 2012. It essentially comprises management services provided to its subsidiaries. The decrease was driven by the reduction of services rendered to Optimus, SGPS, S.A. after the merger with Zon (occurred on August 27th).

Total operational costs

Total operating costs exclude depreciation, amortisation charges and provisions. This line amounted to 4.5 million euros, which compares with 4.3 million euros in 2012.

EBITDA was negative 1.8 million euros (negative 0.9 million euros in 2012) and the decrease versus last year was mainly driven by the lower level of service revenues.

Dividends received

In 2013, Sonaecom SGPS, SA only received dividends from Optimus, SGPS, S.A. in the amount of 24.7 million euros.

Net financial activity

The net financial activity (interest income less interest expenses) was positive by 13.6 million euros, significantly above 2012 (1.2 million euros) due to the lower level of financing after the merger, the shareholder loans reimbursement from Optimus SGPS, S.A. and due to the interests related to loans granted to Zopt, SGPS, S.A..

Other financial results

Other financial results were a negative 120.7 million euros, almost entirely driven by impairment recognition on Optimus financial investments (167.2 million euros), partially compensated by the positive 46.6 million euros of market value adjustments related to the 7.28% stake on ZON OPTIMUS SGPS, S.A. (shares recorded at fair value through profit and loss).

Net results for the year were negative by 90.6 million euros, mainly driven by the impairment recorded at Optimus, SGPS, S.A..

2.4.2. Financial data

The following table summarises the major cash movements during 2013:

CHANGES IN SONAECOM SGPS LIQUIDITY	MILLION EUROS
Sonaecom SGPS stand-alone liquidity as at 31 December 2012	103.7
Cash and Bank	0.0
Treasury Applications	103.7
Bank	5.0
Subsidiaries	98.7
Changes in Nominal Gross Debt	(335.5)
External Debt	(350.8)
Treasury applications from subsidiaries	15.4
Shareholder Loans granted (*)	(313.4)
Dividend paid	(43.3)
Free Cash Flow	147.6
Interest paid	(10.3)
Interest received	23.0
Own shares acquisition	(2.5)
Disposals of Investments (net of acquisitions)	113.5
Dividend received	24.7
Operational Free Cash Flow and others	(0.8)
Sonaecom SGPS stand-alone liquidity as at 31 December 2013	185.9
Cash and Bank	26.3
Treasury Applications	159.7
Bank	156.5
Subsidiaries	3.2

^{*} Net of transfers to Supplementary Capital.

 $During 2013, Sonaecom's stand-alone \ liquidity \ increased 82.2 \ million \ euros \ to \ 185.9 \ million \ euros \ due \ to \ the \ following \ movements:$

- FCF was positive by 147.6 million euros (including the sale of Zopt's shareholder loans, amounting to 115.0 million euros);
- Loans granted to subsidiaries decreased 313.4 million euros;
- Treasury applications from subsidiaries in Sonaecom SGPS increased 15.4 million euros.

However:

- External debt decreased 350.8 million euros, mainly driven by the credit lines push-down to Optimus, SGPS, S.A.; and,
- Dividends of 43.3 million euros were paid.

At the end of December 2013, Sonaecom SGPS's net debt was negative by 144.3 million euros, comprising:

- Liquidity of 182.8 million euros;
- Net treasury applications by the subsidiaries of 18.5 million euros; and,
- (iii) External debt of 20 million euros.







03. Sonaecom shares

3.1. Equity capital markets

Sonaecom shares have been listed on the Portuguese Stock Exchange – Euronext Lisbon – since June 2000, with the symbol SNC. The table below lists the key statistics relating to Sonaecom's 2013 stock performance.

Sonaecom shares on the stock market during 2013

STOCK MARKET	EURONEXT LISBON
Ticker	SNC
ISIN	PTSNCOAMOOO6
Bloomberg code	SNC PL Equity
Reuters code	SNC.LS
Number of shares outstanding	366,246,868
Share capital	366,246,868
Stock price as of last day December (euros)	2.569
Stock price – High (euros)	2.600
Stock price – Low (euros)	1.450
Average daily volume – 2013 (# shares)	531,197
Average daily volume – 2012 (# shares)	247,056
Market capitalisation as of last day December (euros)	940,888,204

Market performance



GRAPH 1 - Sonaecom's performance vs PSI 20 and DJ Euro Stoxx Telecoms in 2013

As far as the Portuguese market is concerned, PSI 20, the principal local stock index, ended 2013 at 6,558.85 points, an increase of 16,0% versus year-end 2012. This positive performance reflects the fact that the majority of PSI 20 companies recorded significant positive growth. To be more precise, 14 out of the index's 20 companies ended 2012 showing positive growth.

During 2013, the PSI 20's index equity turnover stood at approximately 27.9 billion euros compared to 19.8 billion euros in 2012, an increase of 40.9%. This increase was driven by a combination of the companies' positive growth coupled with improved liquidity. Sonaecom's equity turnover almost doubled in the same period.

DJ Euro Stoxx Telecoms, the European Stock Telecommunications index, ended 2013 with an annual increase of approximately 20.9%. This strong performance was driven by positive growth among more than half the companies that make up the index.

3.2. Share price evolution during 2013

Sonaecom's share performance

In 2013, Sonaecom's market share price increased 73.5% compared to 2012.

Sonaecom shares would have been influenced by various milestones during the year, as follows:

- 21 January 2013: approval of the merger between Optimus, SGPS, S.A. (Optimus) and Zon Multimédia Serviços de Telecomunicações e Multimédia, SGPS, S.A. (Zon);
- 5 February 2013: Optimus releases its 2012 full-year consolidated results;
- 8 March 2013: Sonaecom releases its 2012 full-year consolidated results;
- 19 April 2013: Comissão do Mercado de Valores Mobiliários (CMVM, the Portuguese Securities Market Commission) deliberates on granting an exemption from the obligation to launch a mandatory tender offer for Zon;
- 24 April 2013: Sonaecom holds its shareholders' Annual General Meeting with the release of information on approved deci-
- 29 April 2013: Sonaecom releases its first quarter 2013 consolidated results;
- 7 June 2013: a 20 million euros bond issue is completed;
- 2 July 2013: announcement on the closing of remedies assumed with the Portuguese Competition Authority;
- 12 July 2013: disclosure of the remedies assumed with the Portuguese Competition Authority following a request from the CMVM;
- 24 July 2013: Sonaecom releases its first-half 2013 consolidated results;
- 30 July 2013: the Portuguese Competition Authority states that it is not opposed to the concentration of operations resulting from the merger between Optimus and Zon;
- 26 August 2013: final decision by the Portuguese Competition Authority stating that it is not opposed to the concentration operation that comprises the merger between Optimus and Zon;
- 27 August 2013: subscription of ZOPT, SGPS, S.A. capital increase through the delivery of shares representing 81.807% of
- 27 August 2013: assignation of Sonaecom's position of issuer and early redemption in full of Sonaecom's bond issues;
- 30 August 2013: acquisition of 50% of Sonaecom's shareholders' loans to ZOPT, SGPS, S.A.;
- 29 October 2013: preliminary announcement for the launch of a tender offer for the acquisition of Sonaecom shares;
- 14 November 2013: Sonaecom releases its consolidated results for the first nine months of 2013;
- 18 November 2013: Sonaecom holds an extraordinary shareholders' General Meeting with the release of information on the approval of the sole point of the agenda.



Sonaecom relative share price performance in 2013



GRAPH 2 - Portuguese telecoms market performance in 2013

At the end of 2013, Sonaecom's shares had a market price of 2.569 euros per share, 73.5% above the closing price of 1.481 euros per share at 31 December 2012. The share price reached a maximum of 2.600 euros per share on 3 December 2013 and a minimum of 1.450 euros on 15 January 2013.

As for the wider Portuguese telecoms industry, Portugal Telecom registered the worst performance of the three players, ending 2013 with a 15.7% decline in the value of its shares. By contrast, ZON OPTIMUS's share price ended 2013 up 81.8%.

The year of 2013 was marked by the merger between Optimus and Zon, a process that had already started in 2012 with an agreement between Sonaecom, Kento Holding Limited and Jadeium BV, the two companies owned by Eng.^a Isabel dos Santos, recommending to the Boards of Zon and Optimus the merger of the two companies, based on the incorporation of Optimus into Zon.

The final decision on the merger was given by the Portuguese Competition Authority on 27 August 2013, stating. The creation of ZON OPTIMUS, SGPS, S.A. (ZON OPTIMUS), the merged company, has left an indelible mark on Sonaecom and on the telecommunications sector in Portugal.

Given the significant impact of the merger on Sonaecom's portfolio, the Board of Directors decided on 29 October 2013 to launch a tender offer to acquire own shares in exchange for ZON OPTIMUS shares held by Sonaecom outside the control structure. Sonaecom's shareholders were given the option to sell their shares on equal terms, a move that enabled Sonaecom shareholders to have direct exposure to ZON OPTIMUS. Sonaecom offered an overall price equivalent to 2.45 euros per Sonaecom share, to be composed of ZON OPTIMUS shares and, where applicable, a remaining cash amount. To determine the Sonaecom/ZON Optimus share trade ratio, the ZON OPTIMUS share price was set at 5.08 euros. Following this announcement, Sonaecom and ZON OPTIMUS posted very similar trends, as indicated in Graph 2.

Sonaecom's market capitalisation stood at approximately 941 million euros at the end of 2013. The average daily trading volume reached approximately 531 thousand shares, an increase of 115.0% compared to 2012 (247 thousand shares).

3.3. Shareholder structure

In accordance with the Portuguese Securities Code, shareholdings amounting to or exceeding the thresholds of 2%, 5%, 10%, 15%, 20%, 25%, 33.33%, 50%, 66.67% and 90% of the total share capital must be reported to the Portuguese Securities Market Commission and disclosed to the capital market. Reporting is also required if the shareholdings fall below the same percentages.

Simplified Sonaecom shareholding structure

SHAREHOLDER	NUMBER OF SHARES HELD	% SHAREHOLDING AS AT 31 DEC. 2013
Sonae - SGPS, S.A.	270,742,493	73.92%
Goldman Sachs	7,780,349	2.12%
Own shares	5,571,014	1.52%
Free Float	82,153,012	22.43%

Sonae SGPS is Sonaecom's largest shareholder. This Portuguese multinational group, with interests in retail, shopping centres and insurance, holds a total shareholding of approximately 73.92%, following the acquisition of France Télécom's 20% stake in Sonaecom on 9 September 2013.

On 23 October 2013, Goldman Sachs Inc. informed Sonaecom about the completion, on 18 October, of a qualifying holding of 2.12% in Sonaecom's capital, corresponding to 7,780,349 shares and voting rights.

At 31 December 2013, the free float stood at approximately 22.43%, compared to 21.48% at the end of 2012. The free float is the percentage of shares not held or controlled by shareholders with qualified holdings and excluding own shares.

During 2013, there was no change in the number of shares issued by Sonaecom.

3.4. Own shares

During 2013, Sonaecom acquired own shares in the stock market between 20 March and 8 April 2013. It purchased a total of 1,500,000 own shares through the Euronext Lisbon Stock Exchange, at a weighted average price of 1.661 euros per share. This represented approximately 0.41% of Sonaecom's share capital. The shareholders' Annual General Meeting granted the authorisations, which were designed to fulfil the obligations arising from the employees' Medium Term Incentive Plan (MTIP).

As a result of these purchases and the delivery of shares to employees under the terms of the MTIP, Sonaecom held 5,571,014 own shares at the end of 2013. This represented approximately 1.52% of its share capital.









04. Sonaecom management

4.1. Sonaecom management

Management changes in 2013

The company's current governing bodies were elected for a four-year mandate (2012-2015) at the annual Shareholders' General Meeting held on 27 April 2012. Accordingly, at year-end 2013, Sonaecom had four Executive Directors and six Non-Executive Directors.

Sonaecom's Board of Directors and appointed committees

		NON-EXE	ECUTIVE (2)		
	EXECUTIVE (1)	INDEPENDENT (3)	NON- -INDEPENDENT	AUDIT AND FINANCE COMMITTEE	NOMINATIONS AND REMUNERATIONS COMMITTEE
Chairman Duarte Paulo Teixeira de Azevedo					
Directors António Sampaio e Mello David Charles Denholm Hobley Franck Emmanuel Dangeard Gervais Gilles Pellissier Jean-François René Pontal Ângelo Gabriel Ribeirinho S. Paupério (CEO) Miguel Nuno Santos Almeida Maria Cláudia Teixeira de Azevedo António Bernardo Aranha da Gama Lobo Xavier					

⁽¹⁾ Executive Directors are members of the Board of Directors and Executive Committee with executive management responsibilities

The Board of Directors is responsible for managing the company's business, monitoring risks, managing conflicts of interest and developing the organisation's goals and strategy. Sonaecom's articles of association allow the Board to delegate the day-to-day company business, duties and responsibilities to an Executive Committee, as considered appropriate. The Board of Directors also has two specialised committees: the Board Audit and Finance Committee (BAFC) and the Board Nomination and Remuneration Committee (BNRC). It is worth noting that the BAFC comprises solely non-executive members. The BAFC met periodically during 2013 and exercised an important influence over the decision-making process and the development of strategy and policy. The BAFC did not encounter any restraints in the performance of its duties.

⁽²⁾ Non-Executive Directors are members of the Board of Directors without executive management responsibilities

⁽³⁾ Independent Non-Executive Directors are Directors not associated with any specific interest groups in the company or groups that are capable of affecting their objectivity under any circumstance

Board of Directors

The main role of the Board of Directors is to supervise the management of Sonaecom's businesses, monitor risks and help develop the group's goals and strategy. It is also responsible for the remuneration and other compensation policies of the group's employees.

The qualifications and professional experience of members of the Board of Directors are detailed in 4.2 below.

CHAIRMAN



Paulo Teixeira de Azevedo

EXECUTIVE DIRECTORS



Angelo Paupério (CEO)



Miguel Almeida



Cláudia Teixeira de Azevedo



António Lobo Xavier

NON-EXECUTIVE DIRECTORS



António Sampaio



David Hobley





Gervais Gilles



Frank E. Dangeard

According to CMVM, the Portuguese Securities Commission, regulation no. 10/2005, there are no circumstances that may affect the Independent Non-Executive Directors' analysis or decision-making capabilities. These Directors, and the other Non-Executive Directors, exercise an important influence over the decision making-process and the development of company strategy and policy. Sonaecom's Board of Directors exhibits a healthy balance between the total number of Non-Executive Directors and the number of Independent Non-Executive Directors.

Executive Committee

The Board of Directors formally delegates powers to Sonaecom's Executive Committee to manage and execute Sonaecom's dayto-day operations.

The roles and responsibilities of the Executive Management Team are detailed in the table below:

Executive management team members and their roles

ÂNGELO PAUPÉRIO	MIGUEL ALMEIDA	CLÁUDIA AZEVEDO	ANTÓNIO LOBO XAVIER
CEO	Deputy CEO	CEO SSI CEO Online & Media	Executive Director

4.2. Qualifications of the Board of Directors

Duarte Paulo Teixeira de Azevedo

Date of birth: 31 December 1965

Academic qualifications: Degree in Chemical Engineering from the École Politechnique Federal de Lausanne; MBA from Porto Business School.

Professional experience: CEO of Sonae - SGPS, S.A.; Member of the Board of Directors of Efanor Investimentos, SGPS, S.A.; Chairman of the Board of Directors of Sonae Investimentos, SGPS, S.A., Sonae Sierra, SGPS, S.A. and MDS, SGPS, S.A.; Board Director of Sonae Indústria, Member of the Board of Directores of ZOPT, SGPS, S.A. and Member of the Board of Directores of ZON OPTIMUS, SGPS, S.A..

Board member of Associação Portuguesa de Gestão e Engenharia Industrial (APGEI); Member of Board of Trustees of Associação Empresarial de Portugal (AEP); Director at COTEC – Associação Empresarial para a Inovação; Member of European Round Table of Industrialists (ERT) and Member of the Advisory Board of Allianz SE.

Previously: CEO of Sonaecom, SGPS, S.A.; CEO of Optimus - Telecomunicações, S.A.; Executive Board Director of Modelo Continente Hipermercados, S.A.; Planning and Strategic Control Director of Sonae – SGPS, S.A.; Organisational Development Director at Sonae – SGPS, S.A.; Project Manager at Sonae Industria, SGPS, S.A.; Analyst and Manager of New Investment Projects at Sonae Tecnologias de Informação.

Responsibilities at Sonaecom: Chairman of the Board of Directors of Sonaecom; Chairman of the Board Nominations and Remunerations Committee; Chairman of the Non-Executive Director Committee.

Ângelo Gabriel Ribeirinho dos Santos Paupério

Date of birth: 14 September 1959

Academic qualifications: Degree in Civil Engineering at Porto University; MBA from Porto Business School.

Professional experience: Executive Vice-President of Sonae, SGPS, Board Director of Sonae Investimentos, SGPS, S.A., MDS, SGPS, S.A. and Sonae Sierra, SGPS; Vice President of

Sonae MC – Modelo Continente, SGPS, S.A., Sonae – Specialised Retail, S.A. and Sonaerp – Retailed Properties , S.A..

Invited lecturer at Porto Business School.

Board Member of Universidade Católica Portuguesa; Member of the Supreme Council of Porto Business School and Chairman of APGEI Board

Previously: CEO of Sonae Capital, SGPS, S.A., CEO of Sonae Turismo, SGPS, S.A. and Board Director of Modelo Continente, SGPS, S.A..

Responsibilities at Sonaecom: CEO of Sonaecom, Chairman of Board of Directors of Público – Comunicação Social, S.A. and Sonaecom - Sistemas de Informação, SGPS, S.A.; Non-Executive Board Member of ZON OPTIMUS, SGPS, S.A..

Miguel Nuno Santos Almeida

Date of birth: 15 March 1967

Academic qualifications: Degree in Mechanical Engineering from the Faculty of Engineering of Porto University; MBA from the INSEAD.

Professional experience: Executive Director of Optimus - Comunicações, S.A..

Previously: Marketing Director of Modelo Continente, SGPS, S.A..

Responsibilities at Sonaecom: Member of the Board and Executive Director of Sonaecom, SGPS, S.A.; CEO of ZON OPTIMUS, SGPS, S.A.; Chairman of the Board of Directors of Be Artis – Concepção, Construção e Gestão de Redes de Comunicações, S.A.; Be Towering – Gestão de Torres de Telecomunicações, S.A. and Per-Mar, Sociedade de Construções, S.A.; Director of Sontária – Empreendimentos Imobiliários, S.A.; CEO of ZON OPTIMUS, SGPS, S.A..

Maria Cláudia Teixeira de Azevedo

Date of birth: 13 January 1970

Academic qualifications: Degree in Business Studies from the Universidade Católica do Porto; MBA from INSEAD (Fontainebleu).

Professional experience: Member of the Board of Directors of Efanor Investimentos, SGPS, S.A.; Chairman of the Board of

Directors of Efanor - Serviços de Apoio à Gestão, S.A., Member of the Board of Directores of ZOPT, SGPS, S.A. and Member of the Board of Directores of ZON OPTIMUS, SGPS, S.A..

Previously: Executive Director of Sonae Matrix Multimedia residential unit and Marketing Director of Optimus.

Responsibilities at Sonaecom: Executive Director of Sonaecom, SGPS, S.A.; Executive Director of Sonaecom Sistemas de Informação; Non-Executive Director of ZON OPTIMUS, SGPS, S.A..

António Bernardo Aranha da Gama Lobo Xavier

Date of birth: 16 October 1959

Academic qualifications: Degree in Law and Master in Economics Law, both from the University of Coimbra.

Professional experience: Partner and Member of the Board of MLGTS; Non Executive member of the Board of BPI, SGPS, Riopele S.A. and Mota-Engil SGPS, S.A..

Responsibilities at Sonaecom: Executive Director of Sonaecom, SGPS,S.A.; Member of the Board of Directors of Público - Comunicação Social, S.A. and Sonaecom - Sistemas de Informação, SGPS, S.A.; Non-Executive Director of ZON OPTIMUS, SGPS, S.A..

António Sampaio e Mello

Date of birth: 29 January 1955

Academic qualifications: PhD in Economics, London Business School; MBA, Columbia University; Master In Economics, Columbia University; B.Sc in Engineering, Universidade Técnica de Lisboa.

Professional experience: Professor of Finance at the University of Wisconsin-Madison; Trustee Nakoma Funds, Managing Director of RiverRock Investors; Managing Director of Bank Robert Baird; Head of Corporate Finance of Banco Comercial Português; Head of Economic Research and Statistics Department of the Central Bank of Portugal; Managing Director of Finpro, SGPS.

Previously: President of the European Financial Management Association; Board member of the US Financial Management Association; Professor at MIT; President of the Social Sciences and Humanities Commission at the Junta Nacional de Investigação Científica e Tecnológica.

Responsibilities at Sonaecom: Independent Non-Executive Director of Sonaecom: Member of the Board Audit and Finance Committee.

David Charles Denholm Hobley

Date of birth: 9 December 1946

Academic qualifications: Fellow of the Institute of Chartered Accountants of England and Wales.

Professional experience: Former Managing Director of Deutsche Bank AG, London.

Previously: Director of certain Orange Group companies.

Responsibilities at Sonaecom: Non-Executive Director of Sonaecom; Member of the Board Audit and Finance Committee.

Gervais Gilles Pellissier

Date of birth: 14 May 1959

Academic qualifications: Degree in Business Law (Université Paris XI); graduate of HEC (International Management - joint programme with Berkeley University and the University of Cologne).

Professional experience: France Télécom - Orange; Chief Executive Officer Delegate.

Previously: Supervisor of operational and geographic integration of France Télécom's businesses in Spain and Vice-Chairman of the Board of Bull (2004-2005).

Responsibilities at Sonaecom: Non-Executive Director of Sonaecom.

Frank Emmanuel Dangeard

Date of birth: 25 February 1958

Academic qualifications: Graduate of École des Hautes Études Commerciales; Institut d'Études Politiques de Paris (Lauréat) and Harvard Law School (Fulbright Scholar, HLS Fellow).

Professional experience: Managing Partner of Harcourt; Chairman and CEO of Thomson; Deputy CEO of France Télécom; Managing Director of SBC Warburg; Chairman of SBC Warburg France. Responsibilities at Sonaecom: Independent Non-Executive Director of Sonaecom; Member of the Board Nominations and Remunerations Committee.

Jean-François René Pontal

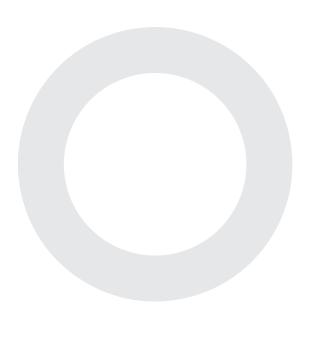
Date of birth: 17 April 1943

Academic qualifications: Degree in Engineering from Centre d'Études Supérieures des Techniques Industrielles, France.

Professional experience: CEO of the Spanish arm of Carrefour - PRYCA; Member of the Board of Directors of Carrefour; Group Executive Vice-President in charge of Mass Market Products & Services of France Télécom; CEO of Orange.

Responsibilities at Sonaecom: Independent Non-Executive Director of Sonaecom; Chairman of the Board Audit and Finance Committee; member of the Board Nominations and Remunerations Committee.





4.3. Other offices held by members of the Board of Directors

Duarte Paulo Teixeira de Azevedo

Offices held in companies in which Sonaecom

is a shareholder:

Does not hold any office in any company in which Sonaecom is a shareholder.

Other offices held:

Efanor Investimentos, SGPS, S.A. (Member of the Board of Directors)

Imparfin, SGPS, S.A.

(Member of the Board of Directors)

MDS, SGPS, S.A.

(Chairman of the Board of Directors)

Migracom, SGPS, S.A.

(Chairman of the Board of Directors)

Sonaegest, Sociedade Gestora de Fundos de Investimentos, S.A.

(Chairman of the Board of Directors)

Sonae Indústria, SGPS, S.A.

(Member of the Board of Directors)

Sonae Investimentos, SGPS, S.A.

(Chairman of the Board of Directors)

Sonae MC – Modelo Continente, SGPS, S.A.

(Chairman of the Board of Directors)

Sonaerp – Retail Properties, S.A.

(Chairman of the Board of Directors)

Sonae - SGPS, S.A.

(Member of the Board of Directors, CEO)

Sonae Sierra, SGPS, S.A.

(Chairman of the Board of Directors) Sonae – Specialized Retail, SGPS, S.A.

(Chairman of the Board of Directors)

ZON OPTIMUS, SGPS, S.A.

(Member of the Board of Directors)

ZOPT, SGPS, S.A.

(Member of the Board of Directors)

Other offices held:

Enxomil, SGPS, S.A.

(Managing Director)

Enxomil - Sociedade Imobiliária, S.A.

(Managing Director)

Love Letters - Galeria de Arte, S.A.

(Member of the Board of Directors)

MDS, SGPS, S.A.

(Member of the Board of Directors)

MDS AUTO, Mediação de Seguros, S.A.

(President of the Board of Directors)

Sonae Center Serviços II, S.A.

(Member of the Board of Directors)

Sonaegest – Sociedade Gestora de Fundos de Investimento,

S.A. (President of the Board of Directors)

Sonae Investimentos, SGPS, S.A

(Member of the Board of Directors)

Sonae Investments, B.V.

(Managing Director)

Sonae MC – Modelo Continente, SGPS, S.A.

(Vice-President of the Board of Directors)

Sonae RE, S.A.

(Member of the Board of Directors)

Sonaerp - Retail Properties, S.A.

(Member of the Board of Directors)

Sonae - SGPS, S.A.

(Member of the Board of Directors)

Sonae Sierra, SGPS, S.A.

(Member of the Board of Directors)

Sonae - Specialized Retail, SGPS, S.A.

(Member of the Board of Directors)

Sontel B.V.

(Managing Director)

Ângelo Gabriel Ribeirinho dos Santos Paupério

Offices held in companies in which Sonaecom is a shareholder:

PCJ - Público, Comunicação e Jornalismo, S.A.

(Chairman of the Board of Directors)

Público - Comunicação Social, S.A.

(Chairman of the Board of Directors)

Sonaecom – Serviços Partilhados, S.A.

(Chairman of the Board of Directors)

(Chairman of the Board of Directors)

WeDo Consulting, Sistemas de Informação, S.A.

Sonae com - Sistemas de Informação, SGPS, S.A.

(Chairman of the Board of Directors)

Maria Cláudia Teixeira de Azevedo

Offices held in companies in which Sonaecom is a shareholder:

Cape Technologies Limited (Ireland)

(Member of the Board of Directors)

Digitmarket – Sistemas de Informação, S.A.

(Chairman of the Board of Directors)

Lugares Virtuais, S.A.

(Chairman of the Board of Directors)

Mainroad – Serviços de Tecnologias de Informação, S.A.

(Chairman of the Board of Directors)

Miauger - Organização e Gestão de Leilões Electrónicos, S.A.

(Chairman of the Board of Directors)

PCJ - Público, Comunicação, e Jornalismo, S.A.

(Member of the Board of Directors)

Praesidium Services Limited

(Member of the Board of Directors)

Público - Comunicação Social, S.A.

(Member of the Board of Directors)

Saphety Level – Trusted Services, S.A.

(Chairman of the Board of Directors)

Sonaecom Sistemas de Informação, SGPS, S.A.

(Member of the Board of Directors)

Sonaecom - Serviços Partilhados, S.A.

(Member of the Board of Directors)

Sonaecom – Sistemas de Información Espana, S.L.

(Director)

WeDo Consulting, Sistemas de Informação, S.A.

(Member of the Board of Directors)

WeDo Technologies Mexico, S. De R.L. De C.V.

(Director)

WeDo Technologies Egypt

(Director)

WeDo Poland Sp. Z.o.o.

(Director)

WeDo Technologies Americas Inc.

(Chairman of the Board of Directors)

WeDo Technologies Australia PTY Limited

(Member of the Board of Directors)

WeDo Technologies Panama, S.A.

(Chairman of the Board of Directors)

WeDo Technologies (UK) Limited

(Member of the Board of Directors)

ZON OPTIMUS, SGPS, S.A.

(Member of the Board of Directors)

ZOPT, SGPS, S.A.

(Member of the Board of Directors)

Other offices held:

Contacto Concessões, SGPS, S.A.

(Member of the Board of Directors)

Ecociclo II - Energias, S.A.

(Member of the Board of Directors)

Efanor - Serviços de Apoio à Gestão, S.A.

(Chairman of the Board of Directors)

Efanor Investimentos SGPS, S.A.

(Membro do Conselho de Administração)

Fundação Belmiro de Azevedo

(Member of the Board of Directors)

Imoareia – Investimentos Turísticos, SGPS, S.A.

(Chairman of the Board of Directors)

Integrum Colombo - Energia, S.A.

(Member of the Board of Directors)

Integrum - Energia, S.A.

(Member of the Board of Directors)

Integrum Martim Longo - Energia, S.A.

(Member of the Board of Directors)

Integrum Vale do Caima - Energia, S.A.

(Member of the Board of Directors)

Integrum Vale do Tejo - Energia, S.A.

(Member of the Board of Directors)

Imparfin, SGPS, S.A.

(Chairman of the Board of Directors)

Linhacom, SGPS, S.A.

(Chairman of the Board of Directors)

SC - Engenharia e Promoção Imobiliária, SGPS, S.A.

(Member of the Board of Directors)

SC, SGPS, S.A.

(Member of the Board of Directors)

Sistavac, SGPS, S.A.

(Member of the Board of Directors)

Sistavac, S.A.

(Member of the Board of Directors)

Sonae Capital, SGPS, S.A.

(Chairman of the Board of Directors)

Sonae Turismo - SGPS, S.A.

(Chairman of the Board of Directors)

Spred, SGPS, S.A.

(Member of the Board of Directors)

António Bernardo Aranha da Gama Lobo Xavier

Offices held in companies in which Sonaecom is a shareholder:

PCJ - Público, Comunicação e Jornalismo, S.A.

(Member of the Board of Directors)

Público - Comunicação Social, S.A.

(Member of the Board of Directors)

Sonae com – Sistemas de Informação, SGPS, S.A.

(Member of the Board of Directors)

Sonaecom - Serviços Partilhados, S.A.

(Member of the Board of Directors)

ZON OPTIMUS, SGPS, S.A.

(Member of the Board of Directors)

Other offices held:

BPI, SGPS, S.A.

(Member of the Board of Directors)

Douro Old Chaps, SGPS, S.A.

(Chairman of the Board of Directors)

Lemos & Van Zeller, Lda

(Director)

MLGTS & Associados, Sociedade de Advogados

(Partner and Member of the Board of Directors)

Mota-Engil, SGPS, S.A.

(Member of the Board of Directors)

Riopele, S.A.

(Member of the Board of Directors)

Têxtil Manuel Gonçalves, S.A.

(Chairman of the Board of the General Meeting)

Vallis Capital Partners

(Member of the Board of Directors)

Miguel Nuno Santos Almeida

Offices held in companies in which Sonaecom is a shareholder:

Be Artis, Concepção, Construção e Gestão de Redes de

Comunicações, S.A.

(Chairman of the Board of Directors)

Be Towering – Gestão de Torres de Telecomunicações, S.A.

(Chairman of the Board of Directors)

Optimus Comunicações, S.A.

(Member of the Board of Directors, CEO)

Per-Mar, Sociedade de Construções, S.A.

(Chairman of the Board of Directors)

Sontária - Empreendimentos Imobiliários, S.A.

(Chairman of the Board of Directors)

ZON OPTIMUS, SGPS, S.A.

(Member of the Board of Directors, CEO)

ZON TV CABO PORTUGAL, S.A.

(Chairman of the Board of Directors)

Other offices held:

Does not hold any office in any other company.

António Sampaio e Mello

Offices held in companies in which Sonaecom

is a shareholder:

Does not hold any office in any company in which Sonaecom is a shareholder.

Other offices held:

Does not hold other offices

David Charles Denholm Hobley

Offices held in companies in which Sonaecom is a shareholder:

Does not hold any office in any company of which Sonaecom is a shareholder.

Other offices held:

Incadea PLC

(Member of the Board of Directors)

Velti plc

(Member of the Board of Directors)

Westgate Nominees Hall Limited

(Member of the Board of Directors)

Frank Emmanuel Dangeard

Offices held in companies in which Sonaecom is a shareholder:

Does not hold any office in any company in which Sonaecom is a shareholder.

Other offices held:

Atari

(Chairman)

Crédit Agricole - Commercial and Investment Bank

(Director)

Goldbridge Capital Partners

(Chairman)

Hindustan Power Projects Ltd

(Director)

Moser Baer India Ltd

(Director)

Symantec (US) (Director)

Telenor (Norway)

(Deputy Chairman)

Gervais Gilles Pellissier

Offices held in companies in which Sonaecom

is a shareholder:

Does not hold any office in any company in which Sonaecom is a shareholder.

Other offices held:

Dailymotion (France)

(Director)

Everything Everywhere Ltd. (UK)

(Director)

Iris Capital Management (France)

(Deputy Chairman of the Supervisory Board)

Medi Telecom (Morocco)

(Director)

Orange (ex-France Telecom)

(Deputy CEO)

Orange Spain (Member of the Board of Directors)

Orange Polksa (Poland) (Member of the Supervisory Board)

Jean-François René Pontal

Offices held in companies in which Sonaecom is a shareholder:

Does not hold any office in any company in which Sonaecom is a shareholder.

Other offices held:

Oger Télécom, Dubai (Member of the Board of Directors)



4.4. Articles 447, 448 and qualified holdings

Article 447

 $In accordance \ with \ article \ 447 \ of \ the \ Portuguese \ Company \ Law \ and \ CMVM \ Regulation \ no. \ 05/2008, \ this \ table \ lists \ the \ shares \ held$ by the Board of Directors and Management and respective transactions during 2013:

Board of Directors

			ADDITIONS		REDUCTIONS	BALANCE AT 31 DECEMBER 2013
	Date	Quantity	Market price €	Quantity	Market Price €	Quantity
Duarte Paulo Teixeira de Azevedo						
Efanor Investimentos, SGPS, S.A. ⁽¹⁾						1
Migracom, SGPS, S.A. ⁽³⁾						1,969,996
Sonae - SGPS, S.A. ⁽⁶⁾						488,530 a)
Shares attributed under the company's remuneration policy	25.06.2013	28,479	0.00			
Sale	26.06.2013			28,479	0.70	
Shares attributed under the Medium Term Incentive Plan	04.12.2013	485,707	0.00			
Ângelo Gabriel Ribeirinho dos Santos Paupério						
Sonae- SGPS, S.A. ⁽⁶⁾						763,150
Shares attributed under the Medium Term Incentive Plan	08.03.2013	178,588	0.00			
Sonaecom, SGPS, S.A. ⁽⁹⁾						552,837
Shares attributed under the Medium Term Incentive Plan	04.03.2013	112,767	0.00			
Miguel Nuno Santos Almeida						
Sonae- SGPS, S.A. ⁽⁶⁾						201,543
Shares attributed under the Medium Term Incentive Plan	08.03.2013	74,375	0,00			
Sonaecom, SGPS, S.A. ⁽⁹⁾						185,652
Shares attributed under the Medium Term Incentive Plan	04.03.2013	46,963	0.00			
Maria Cláudia Teixeira de Azevedo						
Efanor Investimentos, SGPS, S.A. ⁽¹⁾						1
Linhacom, SGPS, S.A. ⁽⁴⁾						99,996
Sonae- SGPS, S.A. ⁽⁶⁾						41,127
Shares attributed under the Medium Term Incentive Plan	08.03.2013	41,127	0.00			
Sonaecom, SGPS, S.A. ⁽⁹⁾						40,566 b)
Shares attributed under the Medium Term Incentive Plan	04.03.2013	40,396	0.00			
António Bernardo Aranha da Gama Lobo Xavier						
Sonae- SGPS, S.A. ⁽⁶⁾						178,229
Shares attributed under the Medium Term Incentive Plan	08.03.2013	48,152	0.00			
Sonaecom, SGPS, S.A. ⁽⁹⁾						85,900
Shares attributed under the Medium Term Incentive Plan	04.03.2013	47,297	0.00			
Sale	14.06.2013			24,000	1.55	

a) This balance includes 530 shares held by descendants in his charge;

b) This balance includes 170 shares held by spouse.

Article 447 (continued)

Management

			ADDITIONS		REDUCTIONS	BALANCE AT 31 DECEMBER 2013
	Date	Quantity	Market price €	Quantity	Market price €	Quantity
David Graham Shenton Bain						
Sonae- SGPS, S.A. ⁽⁶⁾						20,000
Sonaecom, SGPS, S.A. ⁽⁹⁾						15,000
Rui José Gonçalves Paiva						
Sonaecom, SGPS, S.A. ⁽⁹⁾						105,754 0
Shares attributed under the company's remuneration policy	10.05.2013	519	0.00			
Pedro Rafael de Sousa Nunes Pedro						
Sonae- SGPS, S.A. ⁽⁶⁾						6,625
Ana Cristina Dinis da Silva Fanha Vicente Soares						
Sonaecom, SGPS, S.A. ⁽⁹⁾						
Sale	09.08.2013			30,092	1.78	-

c) This balance includes $460\ \text{shares}\ \text{held}\ \text{by}\ \text{spouse}.$



Article 447 (continued)

Notes:

			ADDITIONS		REDUCTIONS	BALANCE AT 31 DECEMBER 2013
	Date	Quantity	Market price €	Quantity	Market price €	Quantity
(1) Efanor Investimentos, SGPS, S.A.						
Sonae- SGPS, S.A. ⁽⁶⁾						200,100,000
Pareuro, BV ⁽²⁾						5,583,100
Sonaecom, SGPS, S.A. ⁽⁹⁾						1,000
(2) Pareuro, BV						
Sonae- SGPS, S.A. ⁽⁶⁾						849,533,095
(3) Migracom, SGPS, S.A.						
Imparfin, SGPS, S.A. ⁽⁵⁾						150,000
Sonae- SGPS, S.A. ⁽⁶⁾						2,936,683
Acquisition	26.06.2013	28,479	0.70			
Sonaecom, SGPS, S.A. ⁽⁹⁾						387,342
(4) Linhacom,SGPS, S.A.						
Imparfin, SGPS, S.A. ⁽⁵⁾						150,000
Sonae- SGPS, S.A. ⁽⁶⁾						439,314
Sonaecom, SGPS, S.A. ⁽⁹⁾						120,300
(5) Imparfin, SGPS, S.A.						
Sonae- SGPS, S.A. ⁽⁶⁾						4,105,280
(6) Sonae- SGPS, S.A.						
Sonaecom, SGPS, S.A. ⁽⁹⁾						76,679,374
Acquisition	09.09.2013	73,249,374	1.55			
Sonae Investments BV (7)						2,894,000
Sontel BV (8)						32,745
(7) Sonae Investments BV						
Sontel BV (8)						
Acquisition	18.12.2013	14.900	5.369.13			58,555
(8) Sontel BV						
Sonaecom, SGPS, S.A. ⁽⁹⁾						194,063,119
(9) Sonaecom, SGPS, S.A.						5,571,014
	04.03.2013			247,423	0.00	
Shares attributed under the company's remuneration policy	10.05.2013			1,192	0.18	
tion poincy	10.05.2013			1,409	0.00	
Acquisition	mar-12	809,000	1.658			
	apr-12	691,000	1.677			



Article 448

In accordance with article 448 of the Portuguese Company Law:

	NUMBER OF SHARES AS OF 31 DECEMBER 2013
Efanor Investimentos, SGPS, S.A. (1)	
Sonae- SGPS, S.A.	200,100,000
Pareuro, BV	5,583,100
Sonaecom, SGPS, S.A.	1,000
Pareuro, BV	
Sonae- SGPS, S.A.	849,533,095
Sonae- SGPS, S.A.	
Sonaecom, SGPS, S.A.	76,679,374
Sonae Investments BV	2,894,000
Sontel BV	32,745
Sonae Investments BV	
Sontel BV	58,555
Sontel BV	
Sonaecom, SGPS, S.A.	194,063,119
The Goldman Sachs Group, Inc.	
Sonaecom, SGPS, S.A.	7,780,349

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





Qualified holdings

In compliance with sub-paragraph b), no. 1, of article 8 of the CMVM Regulation no. 05/2008, we declare the qualifying holdings as at 31 December 2013:

			% OF '	OTING RIGHTS
Shareholder	Number of shares	% of Share capital	With own shares	Without own shares
Sontel BV	194,063,119	52.99%	52.99%	53.81%
Sonae- SGPS, S.A.	76,679,374	20.94%	20.94%	21.26%
Migracom, SGPS, S.A.	387,342	0.11%	0.11%	0.11%
Ângelo Gabriel Ribeirinho dos Santos Paupério (1),(2)	552,837	0.15%	0.15%	0.15%
Belmiro Mendes de Azevedo (1),(3)	75,537	0.02%	0.02%	0.02%
Linhacom, SGPS, S.A.	120,300	0.03%	0.03%	0.03%
Álvaro Carmona e Costa Portela (1)	5,000	0.00%	0.00%	0.00%
Efanor Investimentos, SGPS, S.A.	1,000	0.00%	0.00%	0.00%
Maria Cláudia Teixeira de Azevedo (3)	40,566	0.01%	0.01%	0.01%
Total attributable (4)	271,925,075	74.25%	74.25%	75.39%
Goldman Sachs Group, Inc.	7,780,349	2.12%	2.12%	2.16%
Total attributable	7,780,349	2.12%	2.12%	2.16%

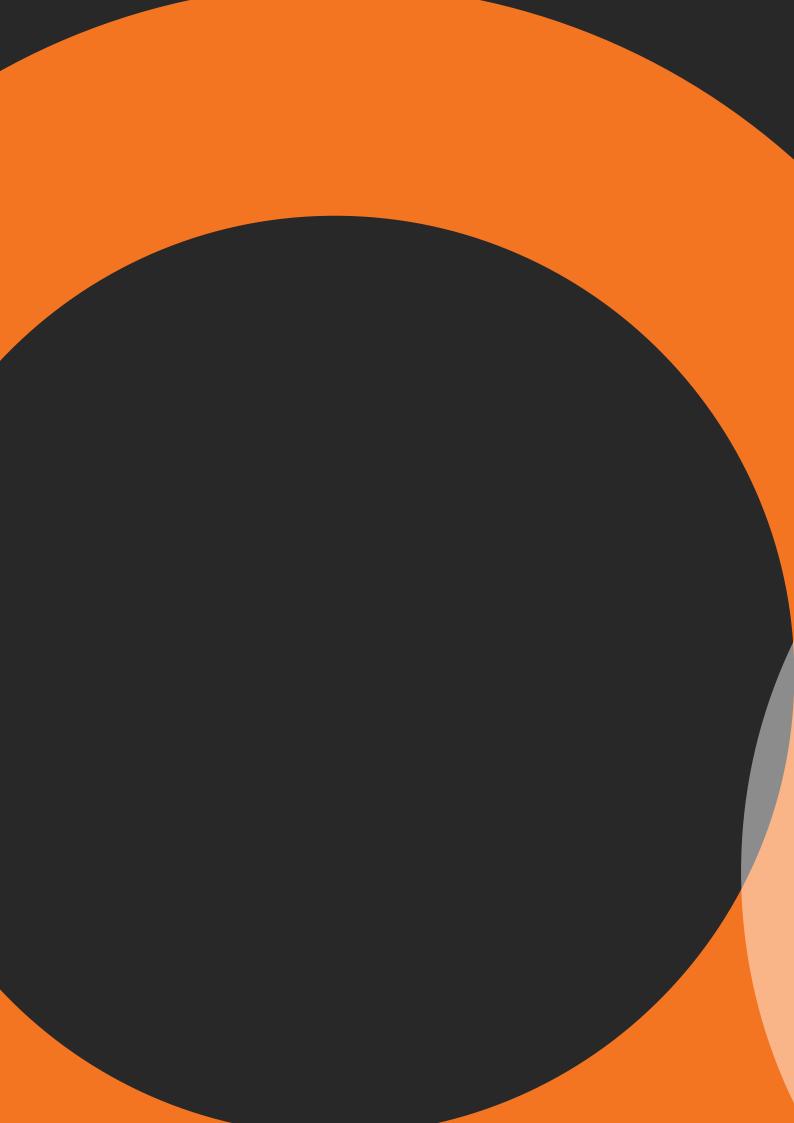
⁽¹⁾ Member of the Board of Directors of Sonae-SGPS, S.A.;

⁽⁴⁾ The corresponding qualified holding is attributable to Efanor which representative shares of about 99,99% of the share capital and the voting rights of Efanor Investimentos, SGPS, S.A. belong the corresponding qualified holding is attributable to efanor which representative shares of about 99,99% of the share capital and the voting rights of Efanor Investimentos, SGPS, S.A. belong the corresponding qualified holding is attributable to efanor which representative shares of about 99,99% of the share capital and the voting rights of Efanor Investimentos, SGPS, S.A. belong the corresponding qualified holding is attributable to efanor which representative shares of about 99,99% of the share capital and the voting rights of Efanor Investimentos, SGPS, S.A. belong the corresponding to the correspo



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

⁽³⁾ Member of the Board of Directors of Efanor Investimentos, SGPS, S.A.;





05. Sonaecom governance

PART I - Shareholding structure, organisation, and governance of the company

A. Shareholding structure

I - Share capital structure

1. Capital structure

The company's share capital is 366,246,868 euros, paid up and subscribed in its entirety, divided into 366,246,868 registered ordinary shares with a nominal value of 1 euro each.

All shares representing the capital stock are traded in the Euronext Lisbon regulated market.

2. Restrictions on share transferability and ownership

There are no restrictions on the transferability or ownership of Sonaecom shares.

3. Own shares

As of 31 December 2013, Sonaecom held 5,571,014 own shares, representing 1.52% of its share capital.

4. Impact of the change in Sonaecom shareholder control in significant agreements

There are no agreements signed by Sonaecom that include clauses intended to constitute defensive measures against change in its shareholding control or which would cease in case of change in control of the company after a takeover bid.

Most of Sonaecom's share capital is owned by one single shareholder.

5. System to which the renewal or removal of defensive measures are subject, in particular those which establish the limitation of the number of votes that can be cast or exercised by a single shareholder individually or in agreement with other shareholders No defensive measures were taken.

6. Shareholders' agreements

No shareholders' agreements that have Sonaecom as their subject are known.

II - Shares and bonds held

7. Qualified shareholdings

See point 4.4 in chapter 4.

8. Number of shares and bonds held by the members of management and supervisory Board, presented in the terms of no. 5 of Art. 447 of the Commercial Companies Code

See point 4.4 in chapter 4.

9. Competence of the Board of Directors in capital increases

This is a competence that corresponds exclusively to the General Shareholders' Meeting.



10. Commercial relationships between the holders of qualified shareholdings and the company

Business and transactions with holders of qualified shareholdings are part of the usual activity of Sonaecom subsidiaries and are executed in normal market conditions. The amounts involved correspond mostly to interest and are not significant.

B. Corporate bodies and committees

I - General Shareholders' Meeting

a) Composition of the General Shareholders' Meeting Board

11. Identification and roles of the members of the General Shareholders' Meeting Board and term of office

The current term of office of the members of the Board of the General Shareholders' Meeting is 2012 to 2015.

João Augusto Esmeriz Vieira de Castro	President
António Agostinho Cardoso da Conceição Guedes	Secretary

b) Exercise of voting rights

12. Potential restriction on voting rights

The company's bylaws do not envisage any limitation on the tallying of the votes or the existence of shares with no voting rights.

13. Maximum percentage of voting rights that can be exercised by a single shareholder or by shareholders with whom s/he is in any of the relationships described in Article 20.1

This regulation is not included in Sonaecom's bylaws, given that they do not establish any limitation on the number of votes that can be cast by a shareholder or group of shareholders.

14. Shareholder decisions which, due to the bylaws, may only be taken with a qualified majority

As established in the company bylaws, any decisions made by the General Shareholders' Meeting shall be by simple majority, unless otherwise required by law.

II - Administration and supervision

a) Composition

15. Identification of the governance model adopted

This company has a monist governance model, whose administration structure is centralised in the Board of Directors, and the supervisory structure includes a Statutory Audit Board and a Statutory External Auditor.

The Board of Directors is the body in charge of managing the company's business, performing all the administration functions pertaining to the corporate purpose, determining the strategic orientation, and appointing and generally supervising the actions of the Executive Committee and the specialised committees established.

The other two organs are in charge of supervisory tasks.

16. Statutory regulations on procedural and material requirements applicable to the appointment and replacement of the members of the Board of Directors

The members of the Board of Directors are elected, as established by law and the bylaws, in the terms specified in the proposal approved in the General Shareholders' Meeting.

The bylaws establish that, should shareholders representing at least 10% of the share capital vote against the winning proposal for the election of the directors, a director will be elected by the shareholders in said minority, in the same meeting, and the director elected shall automatically replace the person with the lowest number of votes in the winning list, or, in case of an equal number of votes, the person in the last position in the list. One shareholder may not nominate more than one candidate.

Should candidates be nominated by a group of shareholders, the vote shall concern those candidacies as a whole. These regulations shall not apply to the election of a substitute director.

Without prejudice to the foregoing, should shareholders representing at least 19% of the share capital vote against the winning proposal for the election of the directors, a second director will be elected by the shareholders in said minority, in the same meeting, and the director elected shall automatically replace the person with the second lowest number of votes in the winning list, or, in case of an equal number of votes, the person in the penultimate position in the list. To this end, only shareholders or groups of shareholders holding shares representing more than 19% and less than 30% of the company's share capital may nominate candidates.

The Board of Directors of the company or the Appointments and Remuneration Committee designated by the Board shall previously verify objectively whether the candidates nominated in the terms of the previous section are independent and suitable for the position. Only verified persons may be elected pursuant to said statutory regulation. Should the Board of Directors or the Appointments and Remuneration Committee find that the candidates are not independent and/or not suitable for the position and reject their appointment, it shall justify its refusal in a satisfactory manner, in good faith and in writing, within 15 days. In this case, the nominating shareholder or group of shareholders shall be entitled to propose a new candidate to the Board of Directors or the Appointments and Remuneration Committee, and so on.

It is also statutorily established that in case of death, resignation, or hindrance, temporary or definitive, of any director other than a director elected under the minority rule, the Board of Directors shall replace said director through co-optation. This appointment shall be subject to ratification by shareholders in the following General Meeting.

As part of the exercise of the power of co-optation by the Board of Directors, the Appointments and Remuneration Committee, composed exclusively of non-executive directors, shall be in charge of identifying potential candidates for the position of directors who have a suitable profile for performance of those duties.

The definitive lack, for any reason, of a director elected under the aforementioned special rules shall lead to a new election by the General Meeting.

The Board of Directors shall appoint its Chairman.

17. Composition of the Board of Directors

Composition

Pursuant to the Sonaecom bylaws, the Board of Directors may be constituted by three to twelve members, elected in the General Shareholders' Meeting. The Board of Directors' term of office is four years. Its members may be re-elected. The current Board of Directors' term of office is 2012 to 2015. The Board of Directors elects its own Chairman.

In 2013, the composition of the Board of Directors was as follows:

MEMBERS	
Duarte Paulo Teixeira de Azevedo	Chairman
António Sampaio e Mello	Independent non-executive director
David Charles Denholm Hobley	Non-executive director *
Gervais Gilles Pellisser	Non-executive director
Jean-François René Pontal	Independent non-executive director
Franck Dangeard	Independent non-executive director
Nuno Manuel Moniz Trigoso Jordão (*)	Non-executive director
Ângelo Gabriel Ribeirinho dos Santos Paupério	Executive director and CEO
António Bernardo Aranha da Gama Lobo Xavier	Executive director
Maria Cláudia Teixeira de Azevedo	Executive director and CEO of the SSI and Online $\&$ Media divisions
Miguel Nuno Santos Almeida	Executive director and Deputy CEO

MEMBERS	DATE FIRST APPOINTED	END OF TERM OF OFFICE
MEMBERS	DATE FIRST AFFOINTED	END OF TERM OF OFFICE
Duarte Paulo Teixeira de Azevedo	30-04-2004	31-12-2015
António Sampaio e Mello	05-07-2006	31-12-2015
David Charles Denholm Hobley	30-04-2004	31-12-2015
Gervais Gilles Pellisser	05-07-2004	31-12-2015
Jean-François René Pontal	30-04-2004	31-12-2015
Franck Dangeard	02-07-2008	31-12-2015
Nuno Manuel Moniz Trigoso Jordão (*)	16-04-2008	31-12-2015
Ângelo Gabriel Ribeirinho dos Santos Paupério	24-04-2007	31-12-2015
António Bernardo Aranha da Gama Lobo Xavier	23-04-2010	31-12-2015
Maria Cláudia Teixeira de Azevedo	05-04-2006	31-12-2015
Miguel Nuno Santos Almeida	30-04-2004	31-12-2015

^{*}Left this position on 9 May 2013



18. Positions of the Board Directors

MEMBERS	
Duarte Paulo Teixeira de Azevedo	Chairman
António Sampaio e Mello	Independent non-executive director
David Charles Denholm Hobley	Non-executive director
Gervais Gilles Pellisser	Non-executive director
Jean-François René Pontal	Independent non-executive director
Franck Dangeard	Independent non-executive director
Nuno Manuel Moniz Trigoso Jordão	Non-executive director
Ângelo Gabriel Ribeirinho dos Santos Paupério	Executive director and CEO
António Bernardo Aranha da Gama Lobo Xavier	Executive director
Maria Cláudia Teixeira de Azevedo	Executive director and CEO of the SSI and Online & Media divisions
Miguel Nuno Santos Almeida	Executive director and Deputy CEO

^{*}Left this position on 9 May 2013

The non-executive members were appointed on the basis of their reputation in the fields of business, finance, academia and consultancy, in order to reinforce the Board of Directors' competences, particularly regarding the strategy for configuring the business portfolio and the annual financial plan, as well as their review.

The non-executive members of the Board of Directors are regarded as independent following the independence criterion established in point 18.1 of Appendix I to regulation 3/213 of the Securities and Exchange Commission and recommendation II.1.7 of the Securities and Exchange Commission (2013).

The independent non-executive directors have a duty to immediately notify the company of any event during their term of office that gives rise to incompatibilities or loss of independence as required by law.

The Board of Directors reflects a healthy balance between the total number of non-executive directors and the number of independent non-executive directors.

19. Professional qualifications of the members of the Board of Directors

The academic qualifications, experience, and duties of the directors are given in Chapter 4 of this report.

20. Significant family, professional, and commercial relationships of the members of the Board of Directors with shareholders that have qualified shares

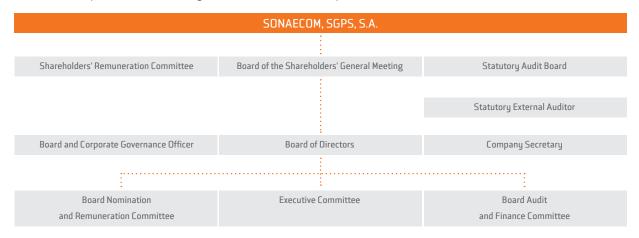
The Chairman of the Board of Directors of the company, Duarte Paulo Teixeira de Azevedo, is the Chairman of the Executive Committee of Sonae – SGPS, S.A., which holds, as of 31 December 2013, a 74% share in Sonaecom, corresponding to 74% of voting rights. The latter has a first-degree collateral family relationship with Maria Cláudia Teixeira de Azevedo, executive member of the Board of Directors of Sonaecom.

The Chairman of the Executive Committee of Sonaecom, Ângelo Ribeirinho dos Santos Paupério, is also a member of the Board of Directors of Sonae – SGPS, S.A., which owns a share in Sonaecom in the terms described above.

21. Distribution of competences among the various corporate bodies, committees, and/or company departments, including information about delegation of competence, in particular regarding delegation of the company's daily management

i) Distribution of competences among the various corporate bodies and respective committees

Sonaecom's corporate structure clearly describes the functions, responsibilities and duties of its bodies.



Following below are the main functions and responsibilities of the Sonaecom corporate bodies:

Board of Directors

The Board of Directors is responsible for managing the company's business, monitoring risks, handling conflicts of interest, and executing the organisation's objectives and strategy.

Sonaecom's bylaws allow the Board of Directors to delegate powers in an Executive Committee when it comes to everyday business, duties and management responsibilities in the terms deemed suitable (as described in the Executive Committee section). However, they do not allow the Board of Directors to approve capital increases, which shall be decided in the General Shareholders' Meeting.

All the terms of reference for the Board of Directors may be viewed on the company's website (www.sonae.com).

ii) Distribution of competences among the various company departments

The corporate structure is based on the following functional structures:

Administrative and Financial Department

Main duties:

- . Control of internal processes and transactions and the reliability and timely reporting of financial, fiscal, and management information;
- . Accounting records of transactions and preparation of individual and consolidated financial reports for the companies;
- . Efficient management of the Sonaecom Group's cash;
- . Negotiation and contracting of the most suitable banking products and services for the Group's business needs;
- . Efficient and effective management of all the administrative processes for the Sonaecom Group's business;
- . Management of financial risk and support in execution of monetary market, interest rate, or exchange transactions;
- . Management of the administrative processes for Accounts Payable, Receivables, Cash and Banks, Stocks, and Tangible Assets;

- . Ensuring the rigour and reliability of the financial information, with the support of the most efficient information system;
- . Optimisation of the Sonaecom's Group fiscal efficiency, ensuring the monitoring of fiscal procedures in all Sonaecom businesses, as well as compliance with tax obligations and control of the fiscal group;
- . Management of the Sonaecom transfer pricing dossier;
- . Support for decision-making and process implementation in the various areas in the Sonaecom Group;
- . Collaboration in the definition of the strategy and fiscal objectives, in particular providing support to business internationalisation;
- . Monitoring of all the litigation processes with the tax authorities, and management of the defence of the Group's business;
- . Promotion of and support to the provision of tax and financial incentives;
- . Participation in special projects in the Sonaecom Group, such as mergers and acquisitions and corporate restructuring.

Planning and Management Control Department

Main duties:

- . Supporting the development of the corporate strategy and/or business;
- . Promoting, leading, and implementing the annual strategic planning;
- . Leading and monitoring the annual Sonaecom budgeting process, as well as preparing the report on budget implementation;
- . Challenging the corporate business and areas as regards the goals set so as to constantly improve and optimise the efficiency of Sonaecom's business, performance, and results;
- . Preparing and analysing business management information, as well as consolidated data, on a monthly, quarterly, and annual basis, analysing deviations from the budget and proposing corrective actions;
- . Supporting decisions for the allocation of capital to ongoing businesses and new business opportunities;
- . In charge of analysing the invested capital and the return on the invested capital;
- . Creating business plans together with the business management teams;
- . Performing technical and benchmark studies for the Sonae business in order to evaluate its performance in comparison with competitors and other players in the market.

Risk Management Department

Main duties:

- . Promoting a culture of risk awareness, as well as mediating and managing the business risks that interfere with the achievement of objectives and the creation of value in the organisation;
- . Contributing to business areas using analysis and risk management methodologies, tools, support, and know-how;
- . Promoting and monitoring the implementation of programmes and actions aimed at bringing risk levels close to the acceptable levels established by the management.

Internal Audit Department

Main duties:

- . Assessing risk exposure and checking the effectiveness of risk management and internal controls through the execution of audits of business processes and information systems;
- . Proposing measures to improve controls and monitor the evolution of risk exposure associated with the main audit findings.

Legal Department

Main duties:

- . Relations with Euronext Lisbon, with the Securities and Exchange Commission and with shareholders regarding legal issues;
- . Legal management of company governance and monitoring of compliance with best practices in this area: monitoring, controlling, and ensuring the legality of business activities in telecommunications, software, information systems and media;
- . Drafting and/or analysing contracts to maximise security and reduce legal risks and potential costs;
- . Management of all aspects pertaining to the intellectual and industrial property of the various businesses, such as brands, trademarks, names, patents, logos, marketing, slogans, domain names and copyright;
- . Execution of all public deeds, registrations, and notarial procedures required for business, whether they are commercial, property, or corporate;
- . Management of all dispute processes and corporate processes in the pre-litigation stages and during litigation;
- . Support to obtain the various licences required for business;
- . Monitoring of the development of the legislation relevant to the Group's business;
- . Legal support in national and international operations of the company's business, as well as analysis of new national and international operations, in particular, in the latter, regarding the legal environment in the countries under analysis.

Human Resources Department

Main duties:

- . Support to senior management on the implementation and development of human resources policies;
- . Defining and implementing the human resources strategy, planning and talent management on various levels;
- . Ensuring the presence and development of the technical and management competences of Sonaecom executives, either through the implementation of adequate recruitment and selection practices, or through the design and implementation of training transversal and/or individualised training and development plans;
- Developing human resources management models and processes in areas such as remuneration and benefit policy; career management; social climate monitoring and development; administrative management and salary processing; staff budgeting and reporting on human resources issues; occupational health, hygiene; and safety management;

- . Monitoring legal occupational issues;
- . Representing the company in official bodies and associations linked to this area.

Investor Relations Department

Main duties:

- . Management of relations between Sonaecom and the financial community by means of ongoing preparation and disclosure of relevant, updated information about the company;
- . Support to the Executive Committee and directors, providing relevant information about the capital markets;
- . Support to External Communications, contributing to the alignment of the corporate message to be conveyed in the capital markets.

b) Operation

22. Location of the terms of reference of the Board of Directors

The terms of reference of the Board of Directors are available on the company website (www.sonae.com).

23. Number of meetings held and attendance record for members of the Board of Directors

Board of Directors

The Sonaecom Board of Directors meets at least four times every year, as specified in the bylaws, and whenever the Chair or two members of the Board of Directors call a meeting. Four meetings were held in 2013 with an 83% attendance rate.

The non-executive directors also meet separately to discuss and evaluate their independence in performance of their duties, as well as to suggest measures to improve the Board of Directors' procedures in terms of corporate governance. The non-executive directors confirmed in these meetings that there were no restrictions on their activities during 2013.

Supervisory Board

The Supervisory Board meets at least once every quarter. Five meetings were held in 2013 with a 93% attendance rate.

The Sonaecom Executive Committee usually meets once every two weeks and whenever its Chair or the majority of its members call a meeting. Fifteen meetings of the Executive Committee were held in 2013, with a 98% attendance rate.

Board Audit and Finance Committee (BAFC)

The BAFC meets at least five times every year and whenever its Chair or the Board of Directors, Executive Committee, or, exceptionally, the Statutory External Auditor call a meeting. Between meetings, the BAFC analyses projects and monitors activity by means of conference calls among its members. Four meetings were held in 2013, with an 88% attendance rate. In addition, four conference calls were held.

Board Nomination and Remuneration Committee (BNRC)

The BNRC meets at least twice every year and whenever its Chair or the Board of Directors see fit. Two meetings of the BNRC were held in 2013, with a 100% attendance rate.



Shareholders' Remuneration Committee

The Shareholders' Remuneration Committee meets at least once a year. Two meetings were held in 2013 with a 100% attendance rate.

Ethics Committee

The Ethics Committee usually meets once every six months and whenever its Chair or two of its members see fit. One meeting was held in 2013, with a 100% attendance rate.

24. Suitability of the competent corporate bodies to perform the evaluation of the Executive Directors' performance

To establish the variable component of remuneration, an individual evaluation of the Executive Directors' performance is carried out by the Shareholder Remuneration Committee, in co-operation with the BNRC of the Boards of Directors. This evaluation is performed once the company's performance is known.

25. Pre-established criteria for the evaluation of the Executive Directors' performance

The short-term variable remuneration is meant to reward the achievement of various targets defined on an annual basis, which are linked to business KPIs and personal KPIs. The target short-term variable remuneration is based on a percentage of the fixed component of the Remuneration Plan, which will range between a minimum and a maximum percentage, depending on the Executive Director's functional group. The business KPIs, which are a significant component of economic/financial indicators, amount to 70% of the short-term variable remuneration and constitute objective indicators. The remaining 30% derives from the individual KPIs, which may combine objective and subjective components. The amounts paid result from real performance and may range between 0% and 148% of the established target short-term variable remuneration.

26. Availability of each of the members of the Board of Directors, specifying the roles held simultaneously in other companies, inside and outside the Group, and other relevant activities performed by the members of these bodies during the business year. The list of roles held by the company directors is given in chapter 4 of this report.

Members of the Board of Directors consistently displayed their availability to perform their duties, attending meetings and taking part in the respective works on a regular basis.

c) Board of Directors committees and managing directors

27. Identification of the committees created within the Board of Directors and location of their operating regulations The Board of Directors of the company includes the following committees:

- . Executive Committee
- . Board Audit and Finance Committee (BAFC)
- Board Nomination and Remuneration Committee (BNRC)
- . Shareholder's Remuneration Committee
- . Ethics Committee
- . Head of Corporate Governance

The terms of reference for the Board of Directors committees are available on the company website (www.sonae.com).

28. Composition of the Executive Committee

Ângelo Gabriel Ribeirinho dos Santos Paupério	Executive director - CEO
Miguel Nuno Santos Almeida	Executive director – Deputy CEO
Maria Cláudia Teixeira de Azevedo	CEO SSI and CEO Online & Media
António Bernardo Aranha da Gama Lobo Xavier	Executive director

29. Specification of the competences of each of the Committes created and synthesis of the activities performed in the exercise of those competences

Executive Committee

The Executive Committee may deliberate on matters that relate to general management and not on matters that are exclusively within the powers of the Board of Directors. Powers and the responsibility to manage and carry out Sonaecom's day-to-day operations are delegated to the Executive Committee, except as follows:

- (i) To appoint the Chairman of the Board;
- (ii) To co-opt a substitute to replace a member of the Board;
- (iii) To convene Shareholders' General Meetings;
- (iv) To approve the Annual Report and Accounts;
- (v) To grant any pledge, guarantee or charge over Sonaecom's assets, if those are in excess of an accumulated value of 500,000 euros in any financial year;
- (vi) To decide to change the registered office or to approve any share capital increases;
- (vii) To decide on mergers, demergers, modifications to the corporate format and any other projects relating to association with other legal entities to form new companies;
- (viii) To approve Sonaecom Group's Business Plan and Annual Budget;
- (ix) To define the key features of personnel compensation policies, including stock incentive plans and variable compensation plans applicable to Executives (Sonaecom Group Management Levels G3 and above), in areas that do not require decisions from the Shareholders' Remuneration Committee ('Comissão de Vencimentos') or deliberations at Shareholders' General Meetings;
- (x) To define or change major accounting policies of any company included in the consolidation perimeter of the Group;
- (xi) To approve Sonaecom's quarterly Accounts and half-year Report and Accounts;
- (xiii) To sell, acquire directly or by long-term lease or transact, in any other way, investments classified as tangible fixed assets where the individual transaction value is in excess of 1,000,000 euros, unless covered by the Group's Annual Budget or Business Plan duly approved by the Board;
- (xiii) To purchase or subscribe for new shares in the share capital of any subsidiary companies where the accumulated amount exceeds 5,000,000 euros in any financial year, unless covered by the Group's Annual Budget or Business Plan duly approved by the Board;

- (xiv) To invest in any other companies or in other financial assets when the accumulated value is in excess of 1,000,000 euros in any financial year, unless covered by the Group's Annual Budget or Business Plan duly approved by the Board;
- (xv) To make any other financial investments which exceed the accumulated amount of 1,000,000 euros in any financial year, unless covered by the Group's Annual Budget or Business Plan duly approved by the Board;
- (xvi) To dispose of assets or make other divestments, if such transaction has a significant effect on Sonaecom's operating results (defined as equal to or greater than 5%) or affects the jobs of more than 100 employees, unless covered by the Group's Annual Budget or Business Plan duly approved by the Board.

The full Terms of Reference of the Executive Committee are available on the company's website (www.sonae.com).

To ensure that the Board of Directors is kept well informed by the Executive Committee, all significant decisions taken by the Executive Committee are systematically extracted from the minutes of their meetings and are reported, in writing, to the Board of Directors.

Board Audit and Finance Committee (BAFC)

The BAFC operates under Terms of Reference approved by the Board and is responsible for monitoring and supervising Sonaecom's financial reporting processes, reviewing accounting policies and for evaluating risk associated with its activities on behalf of the Board, and additionally for overseeing Corporate Governance within the company. The BAFC also meets directly with the Group's Statutory External Auditors and the Internal Audit Team. The duties of the BAFC are:

- (i) To review the company's annual and interim financial statements and reports to the market, and report its findings to the Board, before these documents are approved or signed by the Board;
- (ii) To advise the Board on its reports to Shareholders and financial markets to be included in the company's annual and half-year Accounts and in the quarterly Earnings Announcements;
- (iii) To advise the Board on the adequacy and appropriateness of internal information provided by the Executive Committee, including systems and standards on internal business controls and risk management activities applied by the Executive Committee, allowing to strengthen the company's levels of self-control in addition to the independent, sovereign and dominant supervision role performed by the Statutory Audit Board;
- (iv) To advise the Board on the appointment of, the assignments to and the remuneration of the Statutory External Auditor; to advise the Board on the quality and independence of the Internal Audit function and to be consulted by management in relation to the appointment and removal of the Chief Audit Executive;
- (v) To review the scope of the Internal Audit Function and its relation to the scope of the Statutory External Audit; to discuss with the Statutory External Auditor and the Internal Auditor their reports, and advise the Board thereon; these reports are issued both to the Statutory Audit Board and BAFC. It should be emphasised that these reports are previously analysed by the Statutory Audit board, being subsequently discussed by the Board Audit and Finance Committee.

The full Terms of Reference of the BAFC are available on the company's website (www.sonae.com).

Sonaecom's BAFC reports in writing, on a regular basis, to the Board of Directors concerning the work accomplished, results obtained and concerns identified, thus ensuring the effectiveness of the Committee's work.

Board Nomination and Remuneration Committee (BNRC)

The BNRC operates under Terms of Reference approved by Sonaecom's Board and is responsible for identifying candidates for appointment to the Board of Directors or Senior Management positions within the Group, for supervising the preparation of proposals on remuneration and other compensation on behalf of the Board of Directors, for the succession planning and for monitoring Sonaecom's talent management and contingency planning processes. The BNRC reports in writing to the Board, whenever necessary, and liaises with Sonaecom's Shareholders' Remuneration Committee ('Comissão de Vencimentos') to obtain their approval, on behalf of shareholders, for the remuneration and other compensation of the Board of Directors and other Statutory Governing Bodies. The BNRC may receive assistance from external entities, which are required to ensure absolute confidentiality in relation to all the information obtained.

The full Terms of Reference of the BNRC:

- (i) The Sonaecom Board Nomination and Remuneration Committee (BNRC) consists of up to three members: the Chairman of the Sonaecom Board and up to two independent Non-Executive Directors (NEDs) appointed by the Board. The Sonaecom Chairman will chair the BNRC, provided he or she is not remunerated as an Executive by the company. Otherwise, the senior independent NED appointed will chair the BNRC;
- (ii) Members shall be appointed to serve on the BNRC for a period of four years (following the Board mandates);
- (iii) The Sonaecom Chief Executive Officer (CEO) will attend the meetings of the BNRC, unless the BNRC on an ad hoc basis decides otherwise;
- (iv) The Secretary to the BNRC will be the Sonaecom Board & Corporate Governance Officer;
- (v) The BNRC is responsible for the succession planning and nomination processes for Board members, for reviewing all remuneration and other compensation policies and proposals for Board members and other Sonaecom Senior Executives (covering Management Levels G2 and above), for supervising the Sonaecom Medium Term Incentive Plan ("MTIP") and for monitoring Sonaecom's talent management and contingency planning processes;
- (vi) The BNRC will normally meet at least twice a year (in late February or early March, preferably before the annual meetings of the Sonae SGPS and Sonaecom Shareholder Remuneration Committees – "Comissão de Vencimentos" (See Notes A and B below) and in late October or early November). Other meetings may be called by the Chairman or the Board, as necessary;
- (vii) The BNRC will report and, when necessary, propose to the full Sonaecom Board and will also liaise with the Sonae SGPS and Sonaecom Shareholder Remuneration Committees through the Sonaecom Chairman;
- (viii) The BNRC may take advice from external experts at the expense of the company. Such experts will be held to absolute secrecy on the topics upon which they opine;
- (ix) The agenda of the February/March meeting will always include the review of proposals for the remuneration and other compensation of Executive and Non-Executive Directors of Sonaecom and other Sonaecom Senior Executives. The Sonaecom CEO and other members will withdraw individually from the meeting, when their own remuneration is discussed;
- (x) Remuneration and other compensation proposals, which are submitted to the BNRC for review on behalf of the Sonaecom Board, are prepared based on proposals made by the Sonaecom Chairman (for NEDs and for the CEO) and by the CEO (for other Executive Directors and for Senior Executives), are supported by market and Sonae Group comparisons and are derived from individual appraisals and KPI analyses;
- (xi) The remuneration and other compensation of the Sonaecom Chairman is decided directly by the independent member of the Sonaecom Shareholders' Remuneration Committee:
- (xii) Minutes of BNRC meetings will be prepared and extracts of these will be circulated to all Board Members.

Note: Under Article 27 of the company Statutes, Sonaecom has a Shareholders Remuneration Committee ("Comissão de Vencimentos") with 2 members, being: Paulo Azevedo (representing Sonae SGPS) and Francisco de La Fuente Sánchez (representing Sontel BV). All remuneration and other compensation proposals involving the Officers of the company ("Orgaos Sociais"), including the Board of Directors, must have the agreement of and be formally approved by this Body on behalf of Sonaecom SGPS shareholders.

The full Terms of Reference of the BNRC are available on the company's website (www.sonae.com).

During 2013, Sonaecom BNRC hired external advisory services in remuneration policy benchmarking and best practices.

Shareholders' Remuneration Committee

The Committee is responsible for approving the remuneration and other compensation of members of Sonaecom's Board of Directors and of its other Statutory Governing Bodies, on behalf of the Shareholders, in accordance with the remuneration and other compensation policies approved by Shareholders at a Shareholders' General Meeting.

Ethics Committee

The Ethics Committee is responsible for supervising and maintaining the company's Code of Conduct and for monitoring its application and ensuring compliance by all Officers and employees of Sonaecom companies.

The Committee is also responsible for reporting to the company's Board of Directors on compliance with the Code of Conduct, at least once a year, and additionally, whenever requested.

By delegation of the Statutory Audit Board, it is the responsibility of the Ethics Committee to receive, discuss, investigate and assess any alleged irregularities that are reported, in accordance with Sonaecom's 'whistle-blowing' policy. The Committee decides the appropriate measures that should be taken in each case reported.

The full Terms of Reference of the Ethics Committee are available on the company's website (www.sonae.com).

Board and Corporate Governance Officer (BCGO)

The BCGO reports to the Board of Sonaecom as a whole, through the Chairman, and also, when appropriate, through the senior Independent Non-Executive Director.

In particular, the main duties of the BCGO are:

- (i) Ensuring the smooth running of the Board and Board Committees;
- (ii) Participating in Board Meetings and relevant Board Committee Meetings and, when appointed, serving as a member;
- (iii) Facilitating the acquisition of information by all Board and Committee members;
- (iv) Supporting the Board in defining its role, objectives and operating procedures; Taking a leading role in organising Board evaluations and assessments;
- (v) Keeping under close review all Legislative, Regulatory and Corporate Governance issues; Supporting and challenging the Board to achieve the highest standards in Corporate Governance;
- (vi) Ensuring that the Board is conscious of the concept of stakeholders and the need to protect minority interests, when important business decisions are being taken;

- (vii) Helping to ensure that the procedure to nominate and appoint Directors is properly carried out and assist in the induction of new Board Members:
- (viii) Acting as a primary point of contact and source of advice and guidance for, particularly, Non-Executive Directors as regards the company and its activities; Facilitating and supporting the Independent Non-Executive Directors in the assertion of their 'independence';
- (ix) Helping to ensure compliance with the continuing obligations of the Portuguese Listing Rules;
- (x) Participating in making arrangements for and managing the whole process of Shareholders' General Meetings;
- (xi) Participating in the arrangement of insurance cover for Directors and Officers;
- (xii) Participating, on behalf of the company, in external initiatives to debate and improve Corporate Governance regulations and practices in Portugal.

III - Supervision

a) Composition

30. Identifying the supervisory body

Under the adopted governance model, the Board of Auditors and the Statutory Auditor are the company's supervisory bodies.

31. Composition

In accordance with the Articles of Association, the Board of Auditors may be made up of an odd or even number of members, with a minimum of three and a maximum of five members, elected for four-year terms. The Board of Auditors also includes one or two alternate members, depending on whether the number of members is three or more.

Sonaecom's Board of Auditors was appointed at the Annual General Meeting held on 24 April 2012 for a term relating to the period 2012-2015. The council is made up of the following members:

Arlindo Dias Duarte Silva	Chairman
Armando Luís Vieira de Magalhães	Member
Óscar José Alçada da Quinta	Member
Jorge Manuel Felizes Morgado	Alternate member

MEMBROS	DATE FIRST APPOINTED	END OF TERM OFFICE
Arlindo Dias Duarte Silva	02-05-2007	31-12-2015
Armando Luís Vieira de Magalhães	02-05-2007	31-12-2015
Óscar José Alçada da Quinta	02-05-2007	31-12-2015
Jorge Manuel Felizes Morgado (Alternate member)	02-05-2007	31-12-2015

Statutory External Auditor

The Statutory External Auditor for Sonaecom is Deloitte & Associados, SROC, S.A. represented since 2012 by António Manuel Martins Amaral, who may be replaced by João Luís Falua Costa da Silva.



32. Degree of independence of the members of the Statutory Audit Board

All members of the Statutory Audit Board are independent under the terms of article 414.5, and they are not covered by any incompatibility under the terms of article 414-A (1), both from the Code on Commercial Companies. The Board of Auditors carried out an assessment of the independence of its members by the renewal of written declarations issued individually.

Members of the Board of Auditors must notify the company immediately of any occurrence during the course of their mandates that gives rise to incompatibilities or a loss of independence, as required by law.

33. Professional qualifications

Arlindo Dias Duarte Silva

Educational qualifications: Degree in Economics, University of Oporto

Professional experience: Statutory Auditor, Sole Auditor, and member of the Board of Auditors of various companies

Number of Sonaecom shares held: none

Armando Luís Vieira de Magalhães

Educational qualifications: Degree in Economics, University of Oporto. Executive MBA, European Management, IESF / IFG.

Professional experience: Statutory Auditor in various companies

Number of Sonaecom shares held: none

Óscar José Alçada da Quinta

Educational qualifications: Degree in Economics, University of Oporto

Professional experience: Member of the Institute of Statutory Auditors, Partner in Óscar Quinta, Canedo da Mota & Pires Fernandes, SROC, and member of the Board of Auditors of various companies

Number of Sonaecom share held: none

Jorge Manuel Felizes Morgado

Educational qualifications: Degree in Economics, University of Oporto

Professional experience: Statutory Auditor and Member of the Board of Auditors of various Portuguese companies

Number of Sonaecom shares held: none

b) Functioning

34. Terms of reference and annual activity report

The operating regulations of the Board of Auditors may be viewed on the company website (www.sonae.com).

The annual report and opinions of the Board of Auditors are published during each financial year, together with documents relating to accountability of the Board of Auditors, available at www.sonae.com.

35. Meetings of the Statutory Audit Board

Resolutions of the Statutory Audit Board are passed by majority vote, with dissenting members being required to give their reasons for dissent in the minutes.

The Statutory Audit Board meets at least once a quarter. In 2013, six formal meetings of that body were held, the attendance rate being 100%.

36. Availability of the members, with a description of roles held in other companies inside and outside the Group, as well as other activities carried out by members of the Statutory Audit Board

Members of the Statutory Audit Board consistently demonstrated their availability when carrying out their functions, having regularly attended meetings of the body and taken part in the respective work.

Information relating to other posts held by members of the Statutory Audit Board, as well as those members' qualifications and professional experience are available in the curricula vitae given in appendix to this report.

Arlindo Dias Duarte Silva

Roles held in companies of the Sonaecom Group:

None

Other roles:

Sonae SGPS, S.A. (member of the Board of Auditors) Sonae Investimentos, SGPS, S.A. (member of the Board of Auditors) Rochinvest - Investimentos Imobiliários e Turísticos, S.A. (member of the Board of Auditors)

Posts held in social solidarity associations:

ALADI - Associação Lavrense de Apoio ao Diminuído Intelectual (member of the Board of Auditors) Associação Cultural do Senhor do Padrão (member of the Supervisory Board)

Armando Luís Vieira de Magalhães

Roles held in companies of the Sonaecom Group:

None.

Other roles:

Sonae Capital, SGPS, S.A. (member of the Board of Auditors) Sonae Indústria, SGPS, S.A. (member of the Board of Auditors)

Roles held in non-profit organisations:

Eça de Queirós Foundation (member of the Board of Auditors)

Futebol Clube do Porto – Futebol, S.A.D.; Porto Comercial – Sociedade de Comercialização e Sponsorização, S.A. (member of the Board of Auditors)

Óscar José Alçada da Quinta

Roles held in companies of the Sonaecom Group:

None.

Other roles:

BA GLASS I - Serviços de Gestão e Investimentos, S.A. (member of the Board of Auditors) Óscar Quinta, Canedo da Mota & Pires Fernandes, SROC (member of the Board of Auditors) Sonae Investimentos, SGPS, S.A. (member of the Board of Auditors) Caetano-Baviera-Comérico de Automóveis, S.A. (member of the Board of Auditors)



Jorge Manuel Felizes Morgado

Roles held in companies of the Sonaecom Group:

None.

Other roles:

Sonae Capital, SGPS, S.A. (member of the Board of Auditors) Sonae Indústria, SGPS; S.A. (member of the Board of Auditors) Sonae SGPS, S.A. (member of the Board of Auditors) Sonae Sierra, S.A. (member of the Board of Auditors)

c) Competences and functions

37. Description of the procedures and criteria that apply to interventions by the Supervisory Body for the purpose of contracting services additional to the External Auditor

The Board of Auditors shall have the authority to approve the provision of services that are additional to the audit services provided by the External Auditor.

To that end, at the first meeting held in each financial year, the Board of Auditors schedules a work plan that includes supervisions of the External Auditor's activity in matters concerning:

- . the External Auditor's annual activity plan;
- . support for work relating to the audit and review of financial statements and discussion of the respective conclusions;
- . supervising the External Auditor's independence;
- . providing services other than audit services, in fulfilment of Recommendation CMVM IV.2;
- . assessing annual activity;

In assessing the criteria that underpin the contracting of work additional to that of the External Auditor, the Board of Auditors checks that the following safeguards are in place:

- . contracting additional services does not affect the independence of the External Auditor;
- . within the overall provision of service, additional services do not account for a surcharge of more than 30%;
- . tax consultancy services and other services are provided with high levels of quality, autonomy and independence in relation to the services carried out as part of the audit process;
- . the necessary factors guaranteeing independence and exemption are in place.



38. Other functions of the Supervisory Body

The Statutory Audit Board, while performing its functions, statutory and legally assigned, including the ones set out in Art. 420 of the Commercial Companies Code has the following main duties, among others:

- a) To oversee the company's management;
- b) To oversee compliance with legal and regulatory requirements and the company's Articles of Association;
- c) To verify that the books of account, accounting records and supporting documentation are correctly maintained and kept up to date;
- d) To verify the accuracy of the documents used in the presentation of the accounts;
- e) To verify if the accounting policies and accounting criteria used by the company are suitable to showing a true and fair view of the financial position and the results of its operations;
- f) To prepare an annual report on the supervisory work performed and express an opinion on the management report, accounts and other proposals submitted by the Board of Directors, in which it should express its agreement or not, with the management report and the accounts of the year;
- g) To evaluate if the corporate governance report disclosed, includes the information listed in Art. 245.a of the Portuguese Securities Code:
- h) To convene the Shareholders' General Meeting, should the Chairman of the General Meeting fail to do this in circumstances when it is necessary;
- i) To assess the risk management systems, internal control system and internal audit system and to monitor the effectiveness of them, and receive the respective reports;
- j) To oversee the independence of the internal audit function, particularly with regard to restrictions to its organisational independence and any lack of resources for internal audit activity;
- k) To receive communications of alleged irregularities occurring in the company and presented by the company's shareholders, employees or others;
- 1) To appoint and hire services from experts to help one or more members in the exercise of their duties. The hiring and fees of these experts should take into consideration the complexity of the matters involved and the financial position of the company;
- m) To oversee the preparation and disclosure of financial information;
- n) To propose the appointment of the Statutory External Auditor to the Shareholders' General Meeting and their remuneration;
- o) To oversee the company's financial statements, and to assess the Statutory External Auditor on an annual basis and recommend to the Shareholders' General Meeting their dismissal, if there is due case to do so;
- p) To assure that the company provides the Statutory External Auditor the necessary conditions for carrying out their duties, to intermediate between them and the company, as well as, be a receiver of their reports;
- q) To consider and oversee the independence of the Statutory External Auditor, namely in relation to any additional services they may provide;
- r) To issue a prior opinion on relevant business activities (higher than 10 million euros) with qualified shareholders, or entities with whom they are in any relationship, according to Art. 20 of the Portuguese Securities Code;

s) To carry out any other supervisory duties required by law.

The SAB obtains from the Board of Directors, namely through the Board of Audit and Finance Committee, all the necessary information to carry out its duties, namely relating to the operational and financial progress of the company, changes to its business portfolio, the terms of any transactions that have occurred and the details of the decisions taken.

The SAB is the global supervision body of the company for matters of internal control and risk management, acts in an independent manner and has primacy over other bodies regarding the supervision of those matters.

The full Terms of Reference of the Statutory Audit Board are available on the company's website (www.sonae.com).

IV - Statutory Auditor

39. Identification of the Statutory External Auditor and the partner who represents it

The Statutory Auditor for Sonaecom is Deloitte & Associados, SROC, S.A., in 2013 represented by António Manuel Martins Amaral, who may be replaced by João Luís Falua Costa da Silva.

40. Number of consecutive years in which the Statutory Auditor has performed duties for the company and/or for the Group The present structure of the oversight body, which oversees the function of a Supervisory Board and a Statutory Auditor, was adopted by the company at the shareholders' annual general meeting, in accordance with applicable legislation, on 2 May 2007, and Deloitte & Associados, SROC, S.A, was chosen as the Statutory Auditor, serving until the end of the current term.

In 2008, a new term corresponding to the 2008/2011 four-year period began and the Statutory Auditor was re-appointed to the post. In 2012, the proposal for election of Deloitte & Associados, SROC, S.A. to a new term was submitted by the Supervisory Board to the Shareholders' Annual General Meeting, having been supported by the following opinion in which the conditions of independence of the auditor and the advantages and costs of its replacement are weighed:

"To prepare this proposal, the Supervisory Board oversaw an extended selection process that began in 2010, in which various audit companies of recognised national and international competence were invited to take part.

"For this purpose the conditions of eligibility were identified beforehand, which comprised the background of experience and competence of the candidates in the activity sectors in which Sonaecom operates, the competence, sufficiency, and availability of the work team proposed, the methods used, as well as the size of the charges to be defrayed by the company.

"In fiscal year 2011, all the factors in the selection equation were weighed and the Supervisory Board decided to propose to the General Meeting re-appointment to a new term of the current Statutory Auditor, in the company's conviction that its remaining in service neither eliminates nor limits the fitness and independence with which it is serving."

(transcription of the proposal submitted by the Supervisory Board under point 5 on the Agenda for the Annual General Meeting on 27 April 2012).

41. Description of other services rendered to the company by the Statutory Auditor

Deloitte & Associados, SROC, S.A performs the duties of an External Auditor and compliance and tax consulting services, among others.

V – Statutory External Auditor

42. Identification of Statutory External Auditor designated for the purposes of Article 8 and of the partner who represents it in the performance of these duties, as well as the respective registry number at the Portuguese Securities Commission [CMVM -Comissão do Mercado de Valores Mobiliários]

The Sonaecom External Auditor, designated for the purposes of Article 8 of the Marketable Securities Code, is Deloitte & Associados, SROC S.A, recorded under No 231 at the Marketable Securities Commission, represented by António Manuel Martins Amaral.

43. Number of consecutive years in which the External Auditor and the respective partner who represents it have performed duties for the company and/or for the Group

The External Auditor under the current governance model completed its second term of one and four years respectively in 2011, having been re-appointed to a new term in 2012, based on a proposal from the Supervisory Board. The partner who represents it in the performance of its duties was replaced in 2012.

44. Policy and frequency for rotation of the External Auditor and the respective partner who represents it

The Supervisory Board has adopted the recommended principle of not proceeding with the rotation of the External Auditor at the end of two four-year terms in continuous service, if, after a thorough evaluation, it were to have concluded, first, that remaining in service beyond the specified period does not conflict with the necessary independence of the External Auditor and, once this prior requirement has been met, that the cost benefit weighting of its/their replacement makes renewal of the term advisable.

Notwithstanding the analysis leading to the decision that the External Auditor should remain in service beyond the end of two terms, a new Partner was appointed by the External Auditor to represent it in 2012.

45. Body in charge of evaluating the External Auditor and frequency of evaluation

Based on the company's governance model, appointment or removal of the Statutory Auditor/External Auditor is decided at the General Shareholders Meeting, based on a proposal from the Supervisory Board.

Furthermore, the Supervisory Board supervises the action of the External Auditor and the performance of its work over each fiscal year; weighs and approves the additional work to be performed by the External Auditor; and undertakes yearly an overall evaluation of the External Auditor, which includes an evaluation of its independence.

46 and 47. Work other than auditing performed by the External Auditor for the company and/or for companies with which it is in a control relationship, as well as reporting on the internal procedures for purposes of approval of the contracting of such services and the reasons for such hiring and the annual remuneration paid by the company and/or by legal entities in a control or group relationship to the Auditor and to other individuals or legal entities belonging to the same network, and break out of the percentages for each service.

		2013		2012
	Values in €	%	Values in €	%
For the Company*				
Statutory audit review	8,001	6%	9,786	4%
Other services of assurance	10,000	7%	22,000	9%
Tax Consultancy	2,877	2%	30,030	12%
Other Consultancy	-	-	-	-
By entities included in the group				
Statutory audit review	102,972	75%	161,913	64%
Other services of assurance	-	-	12,000	5%
Tax Consultancy	11,870	9%	17,755	7%
Other Consultancy	1,250	1%	-	-
Total				
Statutory audit review	110,973	81%	171,699	68%
Other services of assurance	10,000	7%	34,000	13%
Audit services	120,973	88%	205,699	81%
Tax Consultancy	14,747	11%	47,785	19%
Other Consultancy	1,250	1%	-	-
Total	136,970	100%	253,484	100%

^{*}Includes individual and consolidated accounts

Note: Sonaecom's risk management policy, overseen by the Supervisory Board in co-ordination with the Audit and Finance Committee, tracks and controls services requested from External Auditors and their network of companies, so their independence is not compromised. The Supervisory Board [Conselho Fiscal - CF] receives and analyses information about fees and services rendered by the Statutory Auditor.

The fees paid by the Sonaecom Group to the Deloitte group represent less than 1% of the total annual billing of Deloitte in Portugal. Furthermore, every year a Letter of Independence [Carta de independência] is prepared, in which Deloitte guarantees compliance with international guidelines in matters of auditor independence.

C. Internal organisation

I - Bylaws

48. Rules applicable to amendment of the company's bylaws

Amendments to the bylaws follow the terms of the Commercial Companies Code [Código das Sociedades Comerciais], requiring a two-thirds majority of the votes cast for approval..

For the General Meeting to function on first summons, the bylaws require a minimum of 50% of the capital issued to be present or represented at the General Meeting.

II - Reporting irregularities

49. Means and policy for reporting irregularities occurring in the company

Sonaecom has a policy and follows a process for reporting alleged irregularities made by administrators, staff and partners, under which means are defined for responding to all irregularities reported.

The process for reporting irregularities can be summarised as follows:

- I. Any individual who seeks to report an irregularity that they think has been or know to have been committed by any manager, staff member or partner of Sonaecom shall do so through letter or e-mail message sent to the Ethics Committee, with brief description of the facts. The identity of the discloser will be kept anonymous if this is expressly requested.
- II. The complaint will be analysed and, if there are grounds for reporting an irregularity, the appropriate steps will be taken.

The Supervisory Board has statutory accountability in this process, specifically to:

- III. Receive reports of alleged irregularities reported in relation to the company, submitted by company stockholders, by staff or by other parties.
- IV. Record all alleged irregularities reported, to undertake investigation with due diligence by the Board of Directors through internal and/or external auditing, and to report its/their conclusions.

The Supervisory Board is supported by the Ethics Committee in the performance of these duties, specifically to:

- V. Evaluate alleged irregularities, considering the policy indicated in the Code of Conduct.
- VI. Receive, discuss, investigate, and evaluate any alleged irregularities that might be reported and decide the appropriate steps that must be taken in each case reported.
- VII. Review and evaluate the effectiveness and efficacy of the policy's operation and of the process for reporting irregularities.



In this context Sonaecom would like to indicate that:

VIII. The support of the Ethics Committee supplements the Supervisory Board's oversight mechanisms in these matters.

- IX. The Ethics Committee comprises trained members with an adequate degree of independence and immunity for the duties assigned to them, so that the performance of their duties takes place without risks of compromising the normal oversight process.
- X. The chair of this committee is held by an independent, non-executive member.

III - Internal control and risk management

50. Individuals, bodies, or committees in charge of internal auditing and/or implementing internal control systems Those in charge and the goals of the key stakeholders in the internal control and risk management systems are indicated below.

Business areas - Each functional department in Sonaecom's business units is, as part of its responsibility for functional processes, accountable for implementing internal controls and for managing the respective specific risks. Moreover, specific risk management teams can be set up for developing given risk management programmes, such as a Risk Committee or a work team. These typically include an individual in charge at executive level, a committee of directors, and a team of prime movers representing the business

Planning and control functions - These are functions in Sonaecom's various companies that are accountable for drawing up and monitoring the execution of action plans and annual resources and budgets and forecasts, as well as the processes that lead to their implementation, in the finance and operating areas. They promote and support integration of risk management in the planning and control process of Sonaecom companies.

Risk Management functions - These contribute tools, methodologies, support and know-how to the business areas. They also promote and monitor implementation of programmes and actions intended to align risk levels with the acceptable limits set by management. They promote awareness, measurement, and management of business risks that interfere with the achievement of objectives and with the creation of value for the organisation.

Internal Audit functions - These evaluate exposure to risk and verify the effectiveness of risk management in the internal controls of business processes and information systems. They propose measures to improve controls and monitor evolution of exposure to the risk associated with the principal findings of the audits.

External Auditor - Within the scope of the annual audit process, the Statutory External Auditor analyses the functioning of internal control mechanisms and reports shortcomings identified. It is responsible for auditing the accounts and for issuing a statutory audit certificate and an audit report.

At the corporate level, the company has two specialised functions in risk matters: Risk Management and Internal Audit. Their mission is to contribute to the effective management of Sonaecom's business risks. They support Sonaecom in achieving its objectives, adding value and improving company operations through a systematic and disciplined approach to evaluate and to help improve the effectiveness of risk management, internal controls and the organisation's governance processes.

Risk management activities promote awareness in the organisation of critical business risks, propose risk management policies to the company, and they co-ordinate cross-sectional programmes or projects to implement risk management processes. There can also be risk management functions in the business areas, specifically when the existence of pivots is relevant to some risk management specialties, as is the case, for example, with the management of information security.

Defining the activities of Internal Audit is done in the context of the Internal Audit Letter, approved by the oversight bodies. It comprises assurance activity and independent and objective consulting, governed by the guidelines of the Institute of Internal Auditors (IIA), including the definition of internal auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing (IAA Standards).

The annual Internal Audit Plan is developed [according to] and based on Sonaecom's annual plan of actions and resources and on prioritising audit work using a risk-based methodology that integrates the results of Enterprise Risk Management (ERM) and considers the roadmap for coverage of business processes. The plan also considers the contributions of the Executive Commission, of other members of top management, of the Audit and Finance Board, and, separately, of the Supervisory Board.

51. Making explicit (if necessary by including an organisation chart) the hierarchical and/or functional dependency relationships with other company bodies or committees

The hierarchical and functional reporting lines are those indicated below:

- . Internal Auditing hierarchically reports to the Sonaecom CEO;
- . Internal Auditing functionally reports to the Supervisory Board, as an independent oversight body, and to the Sonaecom Audit and Finance Committee, as a specialised committee that advises the Board of Directors on given matters, including those relating to the Internal Audit and Risk Management functions;
- . Risk Management has similar reporting lines in the context of Sonaecom.

Sonaecom considers it important to clarify the competencies of the Supervisory Board and of the Audit and Finance Committee as regards control and risk matters in line with the following definitions:

- . The Supervisory Board is the statutory body for oversight of the company. It takes precedence in this matter and acts independently;
- . Internal Auditing answers to the Supervisory Board, which ensures existence of a channel for reporting to a body independent of the Board of Directors;
- . Evaluation of the internal control and risk-management system is effectively done, the Supervisory Board being the oversight body, with precedence over the Audit and Finance Committee, since agreement of the Supervisory Board is always necessary;
- . The Supervisory Board has the last word on the role and the evaluation of Internal Auditing;
- . Internal Auditing can request private meetings to report to the Supervisory Board, without any member of the Board of Directors or member of management present;
- . The existence of evaluation competencies at the Audit and Finance Committee is necessary and beneficial, both for shareholders and for the company, in the sense that the Audit and Finance Committee has more specialised and executive know-how about the business, which is complex, enabling the committee to more closely control various areas of the company and challenge them to efficiently manage their risks;
- . Therefore, the existence of a specialised committee, under the Board of Directors, responsible for evaluation in control and risk matters, does not nullify the duties of the Supervisory Board. Separate oversight by these two bodies allows us, beyond independent, sovereign, and dominant oversight (the role of the Supervisory Board), to strengthen levels of self-checking (the role of the Audit and Finance Committee);
- . The central function of Risk Management is to submit for evaluation by the Audit and Finance Board, and share with the Supervisory Board, a periodic report on the Business Risk Management Cycle (method and results) and it can seek contributions to adjust it.

Responsibilities for creating, functioning and periodic evaluation of internal control and risk management systems are published under the terms of reference for the Board of Directors, for the Audit and Finance Board, and for the Supervisory Board, which are available on the company's website.

52. Existence of other functional areas with competencies in risks control

Besides the areas mentioned above, Sonaecom has other functional areas and business processes with competency in controlling and monitoring risks, in particular the following:

- . The functions of Planning and Control, along with the respective pivots in the business areas, are responsible for preparing and monitoring the execution of annual plans of action as well as resources, budgets and forecasts in the finance and operating areas;
- . The various business areas have processes and indicators to monitor operations and KPIs;
- . Technical areas, including the areas of Data Center Services at Mainroad and Technical Management at Saphety, have indicators and alerts for interruption in service and safety incidents at the operating level.

53. Reporting and description of the main types of risks (economic, financial, and legal) to which the company is exposed in the performance of its activity

From the ERM viewpoint, a risk management cycle at WeDo Technologies was completed in 2013. The status of the main risks was updated through review of the most relevant causes of risk, assignment of risk responsibilities and identifying the main controls in place or actions to manage these risks. A risk matrix was produced as a result of this cycle, including analysis of each potential risk's impact and probability of occurring.

In the categories of economic, financial, and legal risks, risks are presented and ranked, in the present section, based on the ranking and structure of Sonaecom's BRM. BRM is a systematic way of identifying risks that affect the organisation (everyday language) and makes it possible to define and group risks along with their main causes (dictionary of risks).

Economic risks

Based on Sonaecom's BRM, economic risks are associated with the following risk categories: business environment, strategy, operations, information processing and technology, and empowerment and integrity.

Economic influences

Sonaecom is exposed to the current adverse economic environment in Portugal, and, consequently, the widespread reduction in consumption. In this context, there is a risk that revenue from clients will continue to be affected due to the high rate of unemployment and reduction in private and public consumption. This risk is intensified in businesses that operate only in the Portuguese market.

For SSI companies, it is relevant to note that, due to the pace of expansion and globalisation at WeDo Technologies, the impact of the adverse economic environment on the business is less severe. The company continued to manage these adverse effects by expanding its product portfolio and identifying other target business sectors (see business portfolio risk). In addition, WeDo Technologies, has been optimising its domestic and international structure in recent years, which allows it to sustain its rate of growth.

For Mainroad, although the recession has affected all IT outsourcing activities, managed/outsourcing services continued to assure a greater share of revenues. In the case of Bizdirect, the company has been affected by shrinkage of the market for microcomputer technology, offset by the sale of multi-brand solutions of IT equipment to the business market, and by the management of corporate software licensing agreements. Despite the current economic crisis, Saphety has continued to position itself in the domestic market as a leader in solutions for simplifying and automating processes.

Like several other companies in the publications sector, Público went through a financial crisis in a recession that offers limited prospects for recovery in the advertising market. With the need to ensure sustainability without compromising its role as an independent information source in Portugal, Público has continued to execute its restructuring programme, which involves a greater focus on meeting growing demands in the digital world and a sizeable reduction in its operating costs structure.

Technological innovation

For Sonaecom, having an optimised technology infrastructure is a critical success factor that helps to reduce potential failures in leveraging technological developments. Accordingly, its various businesses continue to take greater advantage of technological innovation.

WeDo Technologies is certified in Research, Development, and Innovation Management (NP 4457:2007). This certification, along with its existing quality certification (ISO 9001:2008), helps the company to continue innovating sustainably and helps to mitigate potential risk factors. This means that the offerings from WeDo Technologies are continually adapted to new technology trends, such as cloud computing services. WeDo Technologies was one of the first software producers to invest in the revenue assurance market, having also been the first to do so for business assurance.

Mainroad faces the challenges of technology innovation from cloud computing. This technology trend is characterised by a growing adoption by clients of server virtualisation and architectures focused on services. On the service provider side, an effort must be made in tracking, adapting infrastructure and changing the operating model to a service-based model. One of the most significant risks generally associated with cloud computing is the change from traditional data centres, that are adapted to clients' proprietary solutions, to more standardised cloud computing data centres. In this context, Mainroad continued its approach towards handling cloud computing issues, developing its main business areas by developing cloud computing services through partnerships.

Cloud computing is also a risk factor to Bizdirect, since it can cannibalise the market for the sale of infrastructure and reduce procurement of systems by clients. Although part of Bizdirect's revenue arises precisely from sales of hardware and software, cloud computing is considered a positive trend when it comes to addressing client needs. At present, companies are confronting cloud computing's different development stages and Bizdirect is following them in this process The risk is also managed by strategic relationships with partners, which allow us to offer a full portfolio of products rather than limiting offerings. We emphasise, for example, the partnership that allows Bizdirect to offer integration of Microsoft solutions, such as Dynamics CRM, SharePoint, BizTalk, and Office 365.

Público has continued with restructuring of its publications, both in the layout and content of its paper edition and in adopting technological innovations in its online edition. These innovations are designed to ensure a greater alignment with the new reading habits of the Portuguese, offering new access channels to information using smartphones and tablets, as well as sustaining Público's position as the leading non-specialist online newspaper.

Competition

Sonaecom has been an active agent in the transformation of the Portuguese market for information and communication technologies. In this context, Sonaecom's various companies are exposed to risks of competition from other operators in the domestic market in its respective businesses sectors.

Of all Sonaecom's businesses, WeDo Technologies may be most exposed to international competition. However, this risk is not significant since WeDo Technologies is the worldwide leader in revenue assurance software and is a top three global competitor in the aggregate market for revenue assurance and fraud management.

Business portfolio

At WeDo Technologies, one of the main goals has been the expansion and globalisation of the business. This goal could have adversely affected if the company had continued with just one product line, focused on one business sector. This risk will decrease because the company continues to consolidate its global presence outside Portugal and has identified new target business sectors since 2009. To offset the concentration of clients in the telecommunications sector, it expanded into new markets, including the retail, energy, and financial sectors. It also enlarged its product portfolio, expanding from revenue assurance and fraud management to business assurance. Also, since 2012, following the acquisition of Connectiv Solutions in the USA, WeDo Technologies has made a commitment to managed services and Software as a Service (SaaS), areas where Connectiv Solutions has deep know-how and a large footprint in the US market.



Bizdirect pursued a strategy of expanding and diversifying its portfolio, concentrating on three areas: globalisation, client relationships and differentiation. The first area centres on Africa as part of a combined effort with other SSI companies that also have projects in this region, and is in line with the Sonae Group's strategic priority of globalisation. In the area of differentiation, we would highlight our service involving technical maintenance of computer hardware focused on companies; software compliance consulting; and the integration of solutions focused on Microsoft technologies.

Saphety continued to consolidate its portfolio of services, restructured in previous years, giving current and potential clients a clearer view of its service portfolio, and at the same time responding to the need to cover the market's value chain. The portfolio is now divided into three types of solutions that can operate in integrated fashion and in an SaaS environment: SaphetyGov, SaphetyBuy, and SaphetyDoc. To reduce the risk of dependency on the domestic market, Saphety also continued to globalise. At present more than 10% of its orders come from the international market.

Mainroad has also continued to expand its portfolio of international clients beyond its existing client base in Spain through the growth of services and projects, focusing on markets in Angola and Brazil. The business also strengthened its portfolio with an offering called Main IT Service Desk and through new competencies in the area of information security consulting.

Business interruption and catastrophic losses (Business Continuity Management)

Since Sonaecom businesses are particularly focused on the use of technology, potential faults with technical/operational resources (network infrastructure, information system applications, servers etc.) can present a significant risk of business interruption if they are not well managed. This, in turn, can pose other risks to the company, such as adverse impacts on our reputation and our brand, on the integrity of our revenues and client satisfaction, and on quality of service. These can lead to loss of clients.

In the IT sector, business clients typically have a lower tolerance for interruptions. In this context, SSI companies face risks associated with the resilience of data centre infrastructure and with their management and operating procedures; the availability of software platforms that support key client processes – among others.

To identify this specific set of risks and to implement actions for prevention and mitigation that guarantee continuity of critical services and operations, Sonaecom has adopted a Business Continuity Management (BCM) programme over several years.

SSI companies have continued to implement measures to prevent and mitigate the risk of interruption impacting facilities, infrastructure to support the most critical systems and activities that support services to clients. For these, they develop resilience strategies, recovery actions and incident-management procedures. The most critical business processes from the interruption viewpoint can also undergo periodic impact and risk analyses, as well as audits, tests and simulations. As examples, we would highlight the introduction of improvements to the Disaster Recovery Procedures Manual for Mainroad clients and audits of physical security risks for critical facilities, including Mainroad data centres.

Also related to Mainroad data centres, we would also emphasise ongoing improvements in critical physical infrastructure, including power systems, cooling systems, and other safety equipment. It should be stressed that Mainroad has been honoured several times with Data Centres in Europe Awards, specifically as Best Managed Services Data Centre in Europe 2011. This achievement followed two second places in the categories Data Centres Risk Mitigator (2009) and Disaster Recovery Provider (2008). These awards confirm the company's ability to maintain resilient operations at data centres servicing Sonaecom companies and outside clients.

Confidentiality, integrity and availability (Information Security Management)

Since Sonaecom is primarily a technology, media and telecommunications (TMT) group, all its subsidiary companies extensively use technology and information that are typically subject to availability, integrity, confidentiality and privacy risks. Therefore, since 2010 Sonaecom has taken steps to reinforce its commitment to managing these risks by creating a Governance, Risk and Compliance (GRC) Committee. This group functions as an additional risk management and supervisory mechanism in addition to the existing control mechanisms in each Sonaecom business unit.

The GRC Committee is a working group appointed by the Executive Committee, and it is co-ordinated by the Risk Management function, including representatives of SSI companies and the respective business areas that are closer to information and assets management and security issues. The committee's main responsibilities are: the maintenance and development of an information security policy and respective security charter, rules and related procedures; the recommendation of actions and controls for the business areas to manage information security issues; the supervision of the security policy through risk assessments, compliance assessments and KPIs; and promoting security awareness through training and communication.

The GRC Committee develops, proposes and co-ordinates an annual risk management action plan. Some activities that continue to be developed by SSI companies with the purpose of consolidating the security management processes include:

- . Development of systems that perform the backup management of Saphety's critical infrastructure and Mainroad client's backups.
- . Performing an operational security audit of major processes that have an impact on Mainroad's clients, including evaluation of the implementation of additional safety strategies and the appropriate business requirements of Mainroad.
- . Strengthening the privacy policy of SSI companies' websites, with a particular focus on implementing new features for managing cookies to comply with the legal provisions applicable to the personal data of website users.
- . Reinforcing training and knowledge about information security; obtaining certification for the ISO27001 Standard Information
- . Security Management by several employees of WeDo Technologies, Mainroad and Saphety.

Awareness is a key success factor when it comes to promoting a strong culture of information security among employees, partners and key stakeholders. In addition to being a technological issue, security should also be considered as a cultural and behavioural issue. Sonaecom has developed several initiatives to raise awareness and accountability over the past few years, of which the following stand out:

- . A security communication plan based on campaigns to raise awareness of the issues considered most relevant in each year. These campaigns are also built in interactive and multimedia tools.
- . Publication of the information security policy on the company's intranet, accessible to all employees from the homepage.
- . Clauses on personal data protection in contracts with employees and business partners. All employees are bound to obligations of confidentiality, secrecy and protection of personal data. As such they are forbidden from disclosing to third parties information to which they have access as a result of their roles in the company. These obligations and these duties shall remain in force even after the end of the employment relationship between the company and the employee. Our business partners have the same confidentiality obligations and, in turn, these obligations are also applicable to their employees.

For specific issues related to the confidentiality and privacy of personal data, a few Sonaecom companies has appointed a Chief of Personal Data Protection Officer (CPDPO), who:

- . Has responsibility for implementing and complying with the laws and regulations applicable to data processing.
- . Acts on behalf of the company during interactions with the national regulatory authority for data protection (CNPD National Data Protection Commission).
- . Promotes the adoption of data protection principles that are consistent with international standards and best practices.

Is also a member of the GRC Committee on information security.



Product-service failure (professional liability)

As Sonaecom companies are customer-oriented, we give special attention to the impact that the potential failure of our products or services may have on our customers, particularly with regard to civil liability issues. These issues are intrinsic to the business and, usually, they are related to accidents, unintentional acts, errors or omissions by employees or subcontractors. Risk events can be physical (for example: damage to equipment or facilities) or non-physical (for example: error in a software installation). Both events are relevant to companies such Sonaecom subsidiaries, which mainly provide technology- and information-based services. Since our responsibility derives from our contractual relationship with customers, professional liability issues may arise in the event of service failure.

The risk management strategy selected by Sonaecom for this type of risk involves the transfer of risk through insurers in addition to the implementation of internal controls. In this context, we continue to carry out the actions designed and implemented in previous years relating to professional liability insurance:

- . Implementation of improvements in certain internal controls to further reduce the causes of risk.
- . Renewal of existing professional liability insurance that incorporates an extended scope of coverage and is adapted to the business realities of SSI companies and Media.
- . Additional subscriptions of professional liability insurance for WeDo Technologies' foreign companies, improving coverage in certain international locations where our general insurance policy is not applicable due to legal restrictions.

Financial risks

According to the Sonaecom Business Risk Model (BRM), financial risks are primarily related to the financial risk category and, in part, with the business environment risk category.

The Group operates internationally, having subsidiaries that operate in Brazil, United Kingdom, Poland, Ireland, Spain, United States, Mexico, Panama, Colombia, Australia, Egypt, Singapore and Malaysia (branch). A few subsidiaries have local partners and operate in their domestic currency. 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 the euro. Here, operational risk activity is immaterial.

Exchange risk management seeks to minimise the volatility of investments and transactions in foreign currency. Whenever possible, the company uses natural hedges to manage exposure or derivative financial hedging instruments. Additional information on how the risk is managed and controlled is presented in the notes to the financial statements, including a summary of the Group's exposure to the exchange rate risk and its sensitivity to changes in foreign exchange rates.

Interest rate

Sonaecom's total debt is indexed at 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 the following factors: (i) relatively low level of financial leverage; (ii) the possibility of using derivative instruments that hedge the interest rate risk, as mentioned below; (iii) during non-recession periods, the possible correlation between the level of market interest rates and economic growth, with the latter having a positive effect in other lines of the company results; this partially offsets the increase of financial costs (natural hedge); and (iv) the existence of standalone or consolidated liquidity which is also bearing interest at a variable rate. The company uses only derivatives or similar transactions to hedge interest rate risks considered significant. These include interest rate swaps and other derivatives. The counter-parties of the derivative hedging instruments are limited to highly rated financial institutions. Sonaecom's Board of Directors approves the terms and conditions of the financing with significant impact on the Group, based on 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 by monitoring the conditions and alternatives in the market. Additional information on how the risk is managed and controlled is presented in the notes to the financial statements, including the interest rate risk sensitivity analysis.

Liquidity risk

The existence of liquidity in the company requires the definition of policies for an efficient and secure management of the liquidity, allowing us to maximise profitability and minimise the opportunity costs related to that liquidity. The main underlying policies correspond to the variety of instruments allowed, the maximum acceptable level of risk, the maximum amount of exposure by the counter-party and the maximum periods for investments.

Additional information on how the risk is managed and controlled is presented in the notes to the financial statements.

Credit

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

This risk management 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 litigation processes, as well as credit insurances, which all contribute to the mitigation of credit risk.

Legal risks

According to the Sonaecom Business Risk Model (BRM), the legal risks are related to the business environment risk category. To monitor the drivers of actual and potential risks, as well as to assure the fulfilment of the legal and regulatory framework in force, Sonaecom has a dedicated team that includes the Legal Department and follows legal and regulatory issues very closely. Nevertheless, we cannot totally exclude the risk of possible infringement processes against Sonaecom companies due to different views on the practical meaning of the legal and regulatory framework. Sonaecom also collaborates with the authorities with the aim of defining a legal and regulatory framework that in our opinion promotes the development of the communications sector in Portugal. Such collaboration may be proactive or involve sending comments in response to public consultations.

Legal and regulatory

Within Sonaecom's business portfolio, regulatory issues are more relevant in the telecommunications unit, which is subject to specific rules that are mainly defined by the national sector regulator ICP - National Communications Authority (ICP - ANACOM), following the regulatory framework defined at European level.

Sonaecom's SSI companies face an additional risk relating to the globalisation process. This has been managed for many years in WeDo Technologies and is becoming increasingly relevant for Mainroad, Saphety and Bizdirect. The issue arises because these companies have a presence in several countries around the world. This involves specific risks relating to very different legal frameworks, where additional effort is needed to fully understand and to cope with those frameworks.

The SSI companies operating in the market of information society services are exposed to industry-specific regulations, and in particular to the European regulations on network and information security.

Additionally, Sonaecom companies are also subject to the horizontal legislation, which is not specific to the sectors in which they operate, including competition law.



54. Description of the identification, assessment, monitoring, control and risk management process

The risk management process is supported by a consistent and systematic methodology, based on the international standard Enterprise Risk Management – Integrated Framework issued by COSO (Committee of Sponsoring Organisations of the Treadway Commission).

The diagram below illustrates the main phases in Sonaecom's risk management cycle, which can be applied to all business units.

PHASE 1: Identify business risks

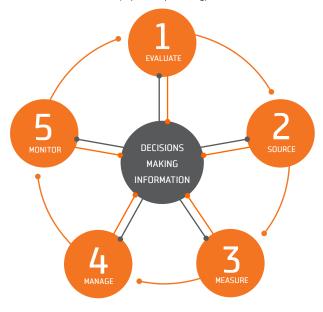
- · Identify relevant business risks
- Prioritise business risks and define risk matrix (impact and probability)

PHASE 5: Monitor risks

- Monitor the implementation progress of action plans
- Monitor changes in the values of the risk indicators
- · Report on progress

PHASE 4: Manage risks

- Identify and determine risk management options
- Establish action plans to manage the risk
- Integrate the risk management action



PHASE 2: Identify Sources

- Identify critical business risks drivers
- Define the key causes of critical risks
- Identify the basic causes (triggers)
- Define key elementary causes (vital and manageable)

PHASE 3: Measure triggers

- Determine indicators associated with triggers
- · Select risk indicators
- Measure the current value of the indicators and indicate the desired value

ERM - Enterprise Risk Management Cycle

Methodology based on Risk Management Methodologies Standard of the Sonae's Risk Management Advisory Group (2008).

Derived from this general framework, the management and control of the main risks facing Sonaecom, are achieved through the following key approaches and methods:

EWRM – ENTERPRISE WIDE RISK MANAGEMENT

Approach: the Enterprise-Wide Risk Management aligns the risk management cycle with the strategic planning cycle. This approach allows Sonaecom's businesses to prioritise and identify critical risks that might compromise their performance and goals and to take actions to manage those risks, within the pre-defined levels of acceptance. This is achieved through constant monitoring of risks and the implementation of certain corrective measures.

Method: 1. Identify business risks >> 2. Investigate sources >> 3. Measure triggers >> 4. Manage risks >> 5. Monitor risks

ISM - INFORMATION SECURITY MANAGEMENT

Approach: the implementation of Information Security Management processes is intended to manage the risks associated with the availability, integrity, confidentiality, and privacy of information. The scope of this process also includes the development and maintenance of the Information Security Policy, verification of compliance with policy procedures, development of training programmes and awareness, setting and supervision of KPIs for information security.

Method: 1. Identify critical information >> 2. Detail platforms/critical information supporting resources >> 3. Assess the security risk level >> 4. Define and implement indicators >> 5. Manage and monitor risk mitigation actions

RMCP - RISK MANAGEMENT CYCLES OR PROCESSES

Approach: the development of specific risk management cycles/processes enables the mitigation of critical risks that can impact certain processes, areas or entities, positioning these risks within the levels defined by the management team. It identifies and monitors other operational risks that management considers relevant.

Method: 1. Identify specific risks >> 2. Investigate causes >> 3. Manage risks >> 4. Monitor risks

55. The key elements of the internal control systems and risk management implemented in-company related to the financial reporting process.

Sonaecom acknowledges that, as with other listed companies with similar activities, it is potentially exposed to risks related to the financial and accounting reporting processes, in addition to other financial risks, as detailed above. Sonaecom's attitude in relation to financial risk management is conservative and prudent, and these principles have been followed in 2013.

Therefore, Sonaecom is committed to ensuring an effective internal control environment, particularly in the financial reporting process. It seeks to identify and improve the most relevant processes in terms of the preparation and disclosure of financial information, with the objectives of transparency, consistency, simplicity and materiality. The objective of the internal control system is to ensure reasonable assurance regarding the preparation of financial statements, in accordance with adopted accounting principles, and the quality of financial reporting.

The internal control system for accounting and preparation of financial statements include the following key controls:

- XI. The process of disclosure of financial information is formalised, the risks and associated controls are identified, the criteria for its preparation and disclosure are duly established and approved, and they are periodically reviewed;
- XII. There are three main types of controls: high-level controls (entity level controls); controls of information systems (IT level controls); and controls in terms of processes (process level controls). There is a set of procedures relating to execution, supervision, monitoring, and process improvement, with the objective of preparing the company's financial reporting;
- XIII. The use of the accounting principles, which are explained throughout the notes to the financial statements (see chapter 6.2, note 1), constitutes one of the fundamental pillars of the control system;
- XIV. The plans, procedures and registers in the Group allow a reasonable assurance that transactions are executed only with the general or specific authorisation of management and that those transactions are recorded to ensure financial statements comply with generally accepted accounting principles. This also ensured that the company keeps an updated assets register, that the access to assets depends on management authorisation and that the assets register is verified against existing assets and appropriate measures are taken whenever differences occur;
- XV. During the process of preparing and reviewing financial information, a schedule is first established and shared with the different areas involved and all documents are reviewed in detail. This involves a review of the principles used, the verification of the accuracy of the information produced, and consistency with the principles and policies defined and used in previous periods;
- XVI. The Group financial statements are prepared and analysed by the Finance and Accounting Department, under the supervision of the Group Executive Committee. The management report and the corporate governance report are prepared by the Investor Relations Department, with input and further review by several business and support areas, with support and supervision by the Director of Corporate Governance and the Law and Regulation Department. The set of documents that makes up the annual report is sent for review and approval by the Sonaecom Board of Directors. After approval, the documents are sent to the statutory External Auditor, which issues its legal certification of accounts and the External Auditor Report. These documents are sent, together with the annual report, to the Statutory Supervisory Board for review. The Board approves the documents and issues the Report and Statutory Supervisory Board's opinion.

Among the various risk drivers that can materially impact accounting and financial reporting, we highlight the following:

XVII. Accounting estimates and provisions - The most significant accounting estimates are described in the notes to the financial statements. The estimates were based on the best information available during the preparation of financial statements and based on the best knowledge and experience of past and/or present events;

XVIII. Balances and transactions with related parties - The most significant balances and transactions with related parties are disclosed in the notes the financial statements. Attached to the report, we present a list of all parties related to the Sonaecom Group. These are mainly associated with the operational activities of the Group, as well as the granting and obtaining of loans, being made at market prices.

More specific information on how these and other risks drivers were mitigated can be seen throughout the notes to the financial statements.

Additionally, Sonaecom undertakes several actions regarding the continuous improvement of its financial risks control system, including:

- XIX. Control documentation enhancement Following measures taken in previous years, Sonaecom continued to enhance the documentation and systematisation of the risks and the internal control system related to the preparation of financial information. This measure covers the identification of risk/drivers (initial risk), the identification of process with higher materiality, the controls documentation and the final analysis (residual risk) after the implementation of potential improvements in the controls;
- XX. Compliance analysis The Investor Relations Department, in co-operation with the Finance and Accounting Department, the Legal and Regulation Department, the Internal Audit and Risk Management Department and other departments as necessary, co-ordinates a periodic analysis of the compliance with the legal requirements and regulations regarding the underlying governing processes and corresponding financial information reported in the management report and the corporate governance report.

IV - Investor Relations

56. Service responsible for investor relations, composition, functions, information provided by these services and contacts The Investor Relations Department is responsible for managing Sonaecom's relationship with the financial community – current and potential investors, analysts and market authorities – with the goal of enhancing their knowledge and understanding of Sonaecom's businesses and activities, by providing relevant, timely and reliable information.

The department regularly prepares presentations and communications covering quarterly, half-year and annual results, as well as issuing announcements to the market, whenever necessary, to disclose or clarify any relevant event that could influence Sonaecom's share price.

To further enhance effective communication with the capital market and guarantee the quality of information provided, the Investor Relations Department organises roadshows covering the most important financial centres of Europe and participates in various conferences. In addition, a large number of investors and analysts have the opportunity to talk to management in one-on-one meetings or conference calls.



Any interested party may contact the Investor Relations Department using the following contact details:

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Address: Rua Henrique Pousão, 432 – 2nd Floor, 4460-191 Senhora da Hora, Portugal

Website: www.sonae.com

57. Market relations representative

The representative for relations with capital markets and Euronext is António Bernardo Aranha da Gama Lobo Xavier, who may be contacted by phone or e-mail:

Tel: (+351) 93 100 2232 Fax: (+351) 93 100 2229

Email: antonio.xavier@sonae.com / investor.relations@sonae.com

Address: Rua Henrique Pousão, 432 - 7th Floor, 4460-191 Senhora da Hora, Portugal

58. Information on the number of requests for information received in the year or pending from previous years, and response times During 2013, the Investor Relations Department received a normal number of requests taking into consideration the size of the company in the capital markets. These requests for information were received either by email or post, or by phone. The response to these requests was provided with the maximum possible speed.

V - Company's website

59. Address

www.sonae.com

60. Location of the information mentioned in Article 171 of the Commercial Companies Code

http://www.sonae.com/investidores/governo-da-sociedade/

61. Location of the statutes and regulations governing the operation of bodies and/or committees

http://www.sonae.com/investidores/governo-da-sociedade/

62. Location of the information concerning the identity of the governing bodies, the representative for the market relations, the Investor Relation Office, functions and means of access

http://www.sonae.com/investidores/governo-da-sociedade/ and www.sonae.com/contactos/

63. Location of the documents for the preparation of financial reports and the calendar of corporate events

Annual report documents: http://www.sonae.com/investidores/assembleias-gerais

Calendar of corporate events: http://www.sonae.com/investidores/calendario-financeiro/

64. Location of the notice for the General Meeting and all the preparatory and subsequent information related to it. http://www.sonae.com/investidores/assembleias-gerais/

65. Location of the historical records with the resolutions taken at general meetings of the company, the represented share capital and the voting results, with reference to the past three years

http://www.sonae.com/investidores/assembleias-gerais/

C. Remuneration

I - Determining competence

66. Indication as to competence for determining the remuneration of the executive directors, members of the Executive Committee or managing director and the directors of the company.

Sonaecom's Remuneration Committee is responsible for the approval of the remuneration of the members of the Board of Directors and other corporate officers and agencies on behalf of the shareholders, following the remuneration and other compensation policies approved by shareholders at a Shareholders' General Meeting.

II - Remuneration Committee

67. Composition of the Remuneration Committee, including identification of individuals or companies contracted to provide support, and statement on the independence of each of the members and advisors

Sonaecom has a Remuneration Committee consisting of two members, namely: Paulo Azevedo, on behalf of Sonae SGPS, and Francisco de la Fuente Sánchez, on behalf of Sontel BV.

The company has not hired any entities to provide regular support in this regard. When establishing the remuneration policy and setting remuneration levels, a comparison is made with market benchmarks based on surveys carried out in Portugal and other main European markets, in particular those prepared by Mercer and the Hay Group. Comparisons are also made with companies included in the main Portuguese Stock Market Index (PSI 20).

The company would like to add that the members of its Remuneration Committee are independent in relation to the Board of Directors. The company's opinion is based on the following considerations: (i) Duarte Paulo Teixeira de Azevedo represents our major reference shareholder at the Shareholder's Remuneration Committee in his capacity of CEO of Sonae - SGPS, S.A., which is fully consistent with the purpose of this committee; (ii) he is a Non-Executive Chairman of our Board; (iii) he does not take part in any discussion where a conflict of interest might arise with his role as Chairman of our Board (for example, he does not discuss his own remuneration at Sonaecom, which is decided by the other independent member of our Shareholders' Remuneration Committee); and (iv) additionally, his remuneration at Sonaecom is not of significant value, being 60,710 euros in 2013.

68. Knowledge and experience of the members of the Remuneration Committee on remuneration policy

The experience and professional qualifications of the members of Sonaecom's Remuneration Committee are listed in the curricula vitae in the annex to this document and allow them to exercise their responsibilities competently and accurately, each having the appropriate skills to perform their duties.

69. Description of the remuneration policy of the management and supervisory bodies

Executive directors (ED)

The remuneration and compensation policy for executive directors incorporates control mechanisms in its structure, considering the connection to the individual and collective performance, preventing excessive risk-taking behaviours. This objective is further ensured by the fact that each KPI is limited to a maximum value.

Executive directors' remuneration is made up of two components:

- (i) a fixed component, which includes a base compensation, payable over the period of one year (salaries are paid 14 times per annum in Portugal), an annual responsibility allowance (with reference to the period of one year), these values being paid in monthly instalments, and a package of benefits linked to their level of responsibility;
- (ii) a variable component, subject to the achievement of the objectives set out in the previous year, divided into two parts; (a) short-term remuneration paid in the first quarter of the following year (short-term variable remuneration); and (b) a mediumterm discretionary and variable remuneration (medium-term variable remuneration), payable in the following year, in the form of deferred benefits, under the Share Allocation Plan and respective regulation. Here, payment will be effected after a deferral for a period of three years, considering that exposure of the executive directors to fluctuations in share price is the most appropriate way to align the interests of directors with those of shareholders.

The fixed remuneration of an executive director is based on the responsibility of the function exercised and is reviewed annually. Each executive director is assigned a rating designated internally by management level (ML). Executive directors are classified in MLs as Group Leader (GF.0), Senior Executive Group (GF.1) and Senior Executive (GF.2). Sonaecom MLs are applied in a similar way across all Sonae Group companies and are related to Hay's international model for the classification of corporate functions, thereby facilitating market comparisons while helping to promote internal equity.

The variable remuneration is intended to guide and reward the executive director for compliance with predetermined objectives, based on the company's performance indicators, work teams under their responsibility and their own individual performance. It is awarded after the annual accounts are cleared and the performance evaluation has been made. As the amount of the award is subject to the accomplishment of objectives, there is no guarantee that any payment will be made.

- (a) The short-term variable remuneration will be aimed at rewarding the achievement of certain pre-defined annual objectives, which are linked to both business KPIs and personal KPIs. The target amounts attributed will be based on a percentage of the fixed component of the Compensation Plan, which will vary between a minimum percentage and a maximum percentage, depending on the executive directors' ML. Business KPIs, which have a significant component of economic/financial indicators, represent 70% of the Short-Term Incentive Plan, and are objective indicators. The remaining 30% of the Short-Term Incentive Plan will derive from personal KPIs, which include both objective and subjective indicators. Actual amounts paid will be based on the real performance achieved or assessed and can represent anything from 0% to 148% of the target amount attributed;
- (b) The MTIP will be aimed at rewarding the loyalty of executive directors to the company, aligning their interests with shareholders, and increasing their awareness of the importance of their performance to the overall success of our organisation. The terms under which executive directors will be awarded a Medium-Term Incentive Plan, under our MTIP, are as follows: The target medium-term variable remuneration is attributed at the beginning of each year, normally representing 100% of the target short-term variable bonus for the same year; so the Short-Term Incentive Plan will represent at least 50% of the total variable remuneration. At the time of its attribution, and based on the percentage of achievement of the KPIs used for the MTIP, aimed at measuring shareholder value created over the medium term, the target value is increased or reduced and the resulting value is converted into equivalent shares by dividing by the average stock exchange price (Euronext Lisbon) over the last 30 trading sessions.

These shares, or the equivalent value in cash, are delivered after a deferral period of three years. This delivery depends on the overall continuing success of the company during this period, measured in accordance with the objectives set by the Shareholders' Remuneration Committee for each period of three years. Additionally, in the case of the distribution of dividends, change in the nominal value of shares or share capital during the deferral period, the number of shares on the plan will be adjusted to the number of shares that, considering the above modifications, are equivalent to the number of initial shares. This maintains an alignment with the total return obtained, or total shareholder return. This link is based on Sonaecom shares but a component, representing up to 40% of the overall value, is linked to Sonae SGPS, S.A. shares. At the vesting date, shares are only delivered if the criterion for continuing positive performance of the company, mentioned above, is met. Payment is made by delivering shares at a discount that can vary between 90% and 100%, although Sonaecom retains an option to pay an equivalent value in cash. Annex I includes the Share Allocation Plan.



Non-executive directors

Remuneration for the non-executive directors is determined based on market data, in line with the following principles: (1) attribution of fixed remuneration (around 15% is dependent on presence in meetings of the Board of Directors, the Audit and Finance Committee and the Appointments and Remuneration Committee); and (2) attribution of an annual responsibility allowance. The fixed remuneration can be increased by up to 6% for those non-executive directors who chair a Board of Directors' Committee. There is no variable remuneration.

Supervisory Board

The remuneration for members of the company's Supervisory Board consists exclusively of a fixed component which includes an annual responsibility allowance, determined in line with comparable market rates.

Statutory External Auditor

The company's Statutory Accountant is remunerated in line with the standard fees table for similar services, at market rates, under a proposal from the Supervisory Board that establishes a link with the Audit and Finance Committee and with the Board of Directors.

General Shareholders' Meeting Board

The remuneration for General Shareholders' Meeting Board members shall be a fixed amount, which will take into account the company's characteristics and market rates.

Directors

Under the terms of Article 248-B.3 of the Securities Code, Directors are the members of the company bodies referred to above, and also those who have regular access to privileged information and take part in decisions about the issuer's business management and strategy.

The Remuneration Committee proposes that the remuneration policy applicable to these Directors shall be equivalent to that adopted for remuneration for other senior executives at the same level of functions and responsibilities, without assigning any additional benefit due the respective operating group.

Therefore, Directors' remuneration includes two components: (i) a fixed component, which includes the basic remuneration base, paid over a one-year period (salaries are paid on a 14-month basis) and a range of benefits associated with the role; and (ii) a variable component, which in turn includes (a) short-term remuneration paid in the first quarter of the following year (paid in money, via a retirement savings plan or by granting a discount on share purchases); and (b) a discretionary and variable component (medium-term variable remuneration), paid in the following year, in the form of deferred benefits under the Medium Term Incentive Plan (MTIP). This vests on the third anniversary of the date of the assignment. In some cases, the Board of Directors, after approval by the Appointments and Remuneration Committee, may propose distribution of company profits to shareholders. After calculating the total amount to be distributed, the amount receivable under the profit-sharing scheme will depend on the annual objectives being met.

70, 71, 72 and 73. Information about how remuneration is structured to align the interests of management body members with the company's long-term interests, as well as how it is based on performance evaluation and lack of incentives to take on excessive risk. Reference, if applicable, to the remuneration policy for company bodies, members of the executive committee or managing director and company managers. Deferred payment of the variable remuneration component, specifying the deferral period. Criteria underpinning the attribution of variable remuneration in shares, as well as the executive directors' retention of these shares in the event of any contracts related to them, specifically hedging or risk transfer contracts, the respective limit, and their relationship with the total annual remuneration total and the company's managers.

The Remuneration and Compensation Policy applicable to members of the company bodies and its managers complies with community guidelines, national legislation and the recommendations of the Securities Market Commission. It is based on the presumption that initiative, competence and commitment are the essential foundations of good performance and must be aligned with the company's medium- and long-term interests, with the aim of sustainability.

The content of the performance indicators, on which the variable remuneration component depends, and its specific weight in determining actual remuneration, ensures that the executive directors are aligned with the defined strategic and compliance with the legal standards that govern the company's activities.

Therefore, for each company financial year, individual performances and contributions to collective success will necessarily influence allocation of the fixed and variable component of each member's remuneration plan.

In addition, actual allocation of at least 50% of the variable remuneration awarded to the chief executive based on evaluation of individual and company performance in each financial year is deferred for a period of three years. This deferred component of the variable remuneration consists of shares, under the company's Share Allocation Plan.

The company's Remuneration and Compensation Policy maintains the principle of not awarding compensation to directors, or members of the other company bodies, if their appointment is terminated, whether such termination occurs at the end of the respective period or earlier for any reason or grounds, notwithstanding the company's obligations to comply with the legal provisions in force in this area.

The Remuneration and Compensation Policy does not include any system of retirement benefits for members of company bodies and other managers.

Sonaecom is committed to the implementation of generally recommended remuneration risk management guidelines, as follows:

- . The design of the Remuneration Policy for all company directors and staff must take into account the potential for risk-taking behaviour, giving sufficient but balanced weighting to the variable component. This objective is also achieved by transposing some activity risk to the risk assumed by the directors and staff themselves, and their remuneration is based on individual and company performance.
- . In addition, the remuneration for the members of the Board of Directors must be structured so that their interests are consistent with the company's long-term interests. Their remuneration must be based on an independent evaluation of their performance, and must be structured to discourage excessive risk taking.

A risk assessment of Sonaecom's remuneration policy can be obtained from the information set out below:

- . The remuneration principles applied for all directors and staff, and the way the various remuneration components contribute to a controlled environment for risk-taking behaviour are explained in Section III. Remuneration Structure of this report, particularly the point related to the remuneration policy for the management and supervisory bodies.
- . The remuneration policy decision and approval process involves various governance bodies to ensure independent scrutiny, fairness and appropriate management of risk. The Appointments and Remuneration Committee has a particularly important role in supervision, due to its key role in reviewing the whole remuneration and compensation policy for all remuneration proposals, as well as oversight of the MTIP.
- . The directors' individual remunerations are detailed in this report. The Appointments and Remuneration Committee communicates in writing with the Board whenever necessary, and collaborates with the Sonaecom Remuneration Committee to obtain approval, in the shareholders' name, of the remuneration and other benefits for the Board of Directors and other governance bodies.
- . Finally, the fact that we provide complete information about the remuneration policy we adopt promotes transparency and is a factor that contributes to mitigating the risk of potentially problematic payment practices.

74. Criteria underpinning the assignment of variable remuneration in options, and indications of the deferral period and the exercise price Not applicable.

75. Main parameters and foundations for any annual bonus and other non-financial benefits scheme

The main parameters and foundations of the variable remuneration system are described in the remuneration policy approved in the Shareholders General Meeting held on 24 April 2013, available at http://www.sonae.com/investidores/assembleias-gerais/.

76. Main features of Directors' complementary pensions or early retirement schemes for and date of approval by the General Shareholders' Meeting individually and for company managers

Not applicable.

IV - Disclosure of remuneration

77. 78 and 79. Indication of annual amount of remuneration earned, in total and individually, by members of the company's management bodies, from the company, including fixed and variable remuneration and, in relation to this, mentions of the different components that led to them, amounts of any kind paid by other controlled or Group companies, or those under shared control, and remuneration paid as profit sharing and/or bonus payments and the reasons why such bonuses and/or profit sharing payments were made

The remuneration for each Sonaecom director, assigned by the company and by controlled and Group companies for 2013 and 2012 is set out in the following tables.

				2013				2012
AMOUNTS IN EUROS	FIXED REMUNERATION	ANNUAL PERFORMANCE BONUS	MEDIUM TERM INCENTIVE PLAN	TOTAL	FIXED REMUNERATION	ANNUAL PERFORMANCE BONUS	MEDIUM TERM INCENTIVE PLAN	TOTAL
Individual breakdown								
Executive Directors								
Ângelo Gabriel Ribeirinho dos Santos Paupério (CEO)	287,190	302,800	302,800	892,790	323,553	225,000	225,000	773,553
Maria Cláudia Teixeira de Azevedo	147,442	67,300	67,300	282,042	175,836	67,500	67,500	310,836
Miguel Nuno Santos Almeida ⁽¹⁾	-	-	-	-	313,113	163,200	163,200	639,513
António Bernardo Aranha Gama Lobo Xavier	198,430	-	-	198,430	198,220	-	-	198,220
	633,062	370,100	370,100	1,373,262	1,010,722	455,700	455,700	1,922,122
Non-Executive Directors								
Duarte Paulo Teixeira de Azevedo (Presidente) ⁽²⁾	60,710	-	-	60,710	60,500	-	-	60,500
Jean François René Pontal	39,730	-	-	39,730	39,780	-	-	39,780
David Charles Denholm Hobley	37,300	-	-	37,300	37,350	-	-	37,350
António Maria Theotonio Pereira Sampaio Melo	35,970	-	-	35,970	37,350	-	-	37,350
Nuno Manuel Moniz Trigoso Jordão ⁽³⁾	11,748	-	-	11,748	34,100	-	-	34,100
Frank Emmanuel Dangeard	34,830	-	-	34,830	34,880	-	-	34,880
Gervais Pellissier	-	-	-	-	-	-	-	-
	220,288	-	-	220,288	243,960	-	_	243,960
Total	853,350	370,100	370,100	1.593,550	1,254,682	455,700	455,700	2,166,082

⁽¹⁾ Remuneration for Miguel Almeida for 2013 has been excluded from the table above as his cost were supported by ZON OPTIMUS as from 1 January 2013;

⁽²⁾ The value for Duarte Paulo Teixeira de Azevedo for 2013 and 2012, disclosed in the table above, is related to management services recharged by Sonae to Sonaecom. The values recharged by Sonae to Sonaecom represents the equivalent cost of his services centralised at Sonae SGPS during 2013 and 2012;

⁽³⁾ The value for Nuno Manuel Moniz Trigoso Santos Jordão for 2013 (until he left the company on 2013.05.09) and 2012, disclosed in the table above, is related to management services recharged by Sonae to Sonaecom. The values recharged by Sonae to Sonaecom represents the equivalent cost of his services centralised at Sonae SGPS during 2013 and 2012.

Directors' participation in MTIP

Directors participation in MTIP					
	Plan 2009	Plan 2010	Plan 2011	Plan 2012	Total
Award date	10 Mar 2010	10 Mar 2011	09 Mar 2012	08 Mar 2013	
Sonaecom shares					
Share price at award date ⁽¹⁾	1,685	1,399	1,256	1,505	
Share price at vesting date	1,55	_	-	_	
Share price at 31 December 2013 ⁽²⁾	2,569	2,569	2,569	2,569	
Ângelo Gabriel Ribeirinho dos Santos Paupério (CEO)					
Number of shares at 01 January 2013	112,767	140,444	157,086	_	410,297
Number of shares at 31 December 2013		150,417	168,240	96,070	414,727
Miguel Nuno Santos Almeida					
Number of shares at 01 January 2013	46,963	65,056	74,524	=	186,543
Number of shares at 31 December 2013	-	=	-		-
Maria Claúdia Teixeira de Azevedo					
Number of shares at 01 January 2013	40,396	51,957	49,717	-	142,070
Number of shares at 31 December 2013		55,647	53,265	33,624	142,536
António Bernardo Aranha Gama Lobo Xavier					
Number of shares at 01 January 2013	47,297	=	-	_	47,297
Number of shares at 31 December 2013	-	_	-	-	-
Total					
Number of shares at 01 January 2013	247,423	257,457	281,327	=	786,207
Number of shares at 31 December 2013	-	206,064	221,505	129,694	557,263
Sonae SGPS shares					
Share price at award date	0,761	0,811	0,401	0,701	
Share price at vesting date	0,696	-	-	-	
Share price at 31 December 2013 ⁽³⁾	1,049	1,049	1,049	1,049	
Ângelo Gabriel Ribeirinho dos Santos Paupério (CEO)					
Number of shares at 01 January 2013	178,588	166,325	334,720	=	679,633
Number of shares at 31 December 2013	=	173,401	348,961	133,850	656,212
Miguel Nuno Santos Almeida					
Number of shares at 01 January 2013	74,375	77,045	158,797	_	310,217
Number of shares at 31 December 2013	_	_		_	,
Maria Claúdia Teixeira de Azevedo					
Number of shares at 01 January 2013	41,127	39,556	68,102	=	148,785
Number of shares at 31 December 2013	-	41,239	71,024	30,116	142,379
António Bernardo Aranha Gama Lobo Xavier		71,233	71,024	30,110	172,575
Number of shares at 01 January 2013	48,152	_	_	_	48,152
Number of shares at 31 December 2013	-0,132		_	_	40,132
Total		-	_		
Number of shares at 01 January 2013	7/.7 7/.7	202.026	EC1 C10		1106 707
Number of shares at 31 December 2013	342,242	282,926	561,619	167.066	1,186,787
	-	214,640	419,985	163,966	798,591
Values					
CEO	725.010	771 771	771 577		000.01
Value at award date	325,918	331,371	331,523	-	988,811
Value at vesting date	299,086	-	-	707313	299,086
Values at 31.12.2013		568,319	798,269	387,212	1,753,800
Miguel Nuno Santos Almeida (4)					
Value at award date	135,732	153,497	157,280	=	446,509
Value at vesting date	124,558	_	-	_	124,558
Values at 31.12.2013		_			
Maria Claúdia Teixeira de Azevedo					
Value at award date	99,365	104,768	89,753	-	293,886
Value at vesting date	91,238	_	-	_	91,238
Values at 31.12.2013		186,217	211,342	117,972	515,531
António Bernardo Aranha Gama Lobo Xavier					
Value at award date	116,339	-	-	-	116,339
Value at vesting date	106,824	=	-	=	106,824
Values at 31.12.2013					
Total					
Value at award date	677,354	589,635	578,556	-	1,845,545
V-I + + i d - + -	621,706	_	_	_	621,706
Value at vesting date	021,700				

⁽¹⁾ Average share price in the month prior to the award date;

⁽²⁾ On 3 December 2013, the share price hit a high of 2.60 euros and a low of 1.45 euros on January 2013;

⁽³⁾ On 18 November 2013, the share price hit a high of 1,11 euros and a low of 0.664 on July 2013;

⁽⁴⁾ On 27 August 2013, part of the outstanding Sonaecom and Sonae share plans were converted into ZON OPTIMUS share plans. This conversion was based on the merger exchange ratio for $Son aecom\ and\ based\ on\ the\ share\ fair\ value\ for\ Sonae,\ as\ duly\ approved\ by\ the\ Shareholders\ Remuneration\ Committee.$

Remuneration earned by directors in Group companies

		SONAECOM		SONAE SGPS	TOTAL
Amounts in euros	Role	Total Remuneration	Role	Total Remuneration	Total
Name					
Ângelo Gabriel Ribeirinho dos Santos Paupério	CEO	892,790	Executive	336,840	1,229,630
Duarte Paulo Teixeira Azevedo	Chairman	60,710	CEO	1,287,640	1,348,350
Nuno Manuel Moniz Trigoso Jordão	Non-executive	11,748	Executive	156,743	168,491

⁽¹⁾ Nuno Manuel Moniz Trigoso Santos Jordão left both Sonaecom and Sonae SGPS on 9 May 2013.

80. Compensation paid to or due from former Executive Directors following termination of their functions during the financial year

There is no compensation due to or from members of the board related to termination of functions during the 2013 and 2012 financial years.

81. Indication of the annual amount of the remuneration earned, in total or individually, by members of the company's supervisory bodies

Supervisory Board members' remuneration consists of a fixed annual amount, based on the company's position and market rates, with no variable remuneration.

The amount of the fixed annual remuneration for the members of this body in the 2013 and 2012 financial years was as follows:

Total	26,030	25,400
Jorge Manuel Felizes Morgado	-	-
Óscar José Alçada Quinta	8,010	7,800
Armando Luís Vieira Magalhães	8,010	7,800
Arlindo Dias Duarte Silva	10,010	9,800
Statutory Audit Board		
Individual breakdown		
Amounts in euros		
	2013	2012

82. Indication of remuneration in the reference year for the Chairman of the General Shareholders' Meeting Board

The Chairman of the General Shareholders' Meeting Board earns a fixed annual remuneration of 5,000 euros and the secretary earns a fixed annual remuneration of 1.500 euros.

V - Agreements with remuneration implications

83. Contractual limitations providing compensation for unfair dismissal for directors, and their relationship to the variable remuneration component

In the event of dismissal of Board members, the Group's policy is to pay the compensation set out in law: in each situation, a different value may be negotiated, considered more suitable by both parties. Members of the Board of Directors do not receive any additional compensation and are subject to the same criteria as other staff. There are also no individual contracts with directors to define the methodology for calculating any compensation. In addition, Sonaecom has never paid, and does not plan to pay, any compensation for dismissal or termination due to inadequate performance.

84. Reference to the existence and description, with an indication of the amounts involved, of agreements between the company and the Board Directors and managers that provide for compensation in the event of dismissal, termination without due cause, or termination of employment following a change in control of the company

In the event of early termination of the mandate of members of the Board of Directors, Group policy is to pay the compensation set out in law or to negotiate, on a case-by-case basis, a value considered fair and appropriate by both parties. There are no additional compensation provisions for members of the Board of Directors, who are treated in the same way as the other staff.

VI - Plans to assign shares or stock options

85 and 86. Identification of the plan and respective recipients. Features of the plan (assignment conditions, share transfer clauses, share price and option exercise price criteria, period during which options can be exercised, features of the shares or options to be assigned, incentives to acquire shares and/or exercise options).

Medium Term Incentive Plan - MTIP

The MTIP is designed to align the interests of employees and Executive Directors with the success of Sonaecom, reinforcing their engagement and the perception of the impact of their performance on the success of Sonaecom, which is reflected by the price

The MTIP is applicable to all Sonaecom Group companies, with the exception of WeDo Consulting - Sistemas de Informação, S.A. which has adopted its own specific incentive plan. For Público - Comunicação Social, S.A. and the companies it owns, the attribution rules are more restricted than those described below and this is not expected to change

General features of the Medium Term Incentive Plan

The MTIP is subject to the eligibility rules described in this document.

The general terms of the MTIP and any significant amendments thereto are reviewed by the Shareholders' Remuneration Committee and then approved by shareholders at a Shareholders' General Meeting, based on a proposal submitted by the Board of Directors, after the Board has taken advice from the Board Nomination and Remuneration Committee ("BNRC"). The participation in the MTIP of the members of Sonaecom's Executive Committee (ExCom) is approved by the Shareholders' Remuneration Committee ("Comissão de Vencimentos"), in line with the Group's Remuneration Policy, which is approved by shareholders at a Shareholders' General Meeting. The participation of other Senior Executives is approved, annually, by the Sonaecom ExCom.

Eligibilitu

All Sonaecom employees at Sonaecom Management Levels ("Grupo Funcional" or "GF") GF1 to GF6 are eligible to be awarded a Medium Term Performance Bonus under the MTIP, provided that they held Management Level GF6 or higher, on 31 December of the respective performance year.

Classification as Management Level GF6, on recruitment or by promotion, does not automatically give entitlement to the award of a MTPB. Any decisions to make an award, including the value awarded (which is calculated as a percentage of the individual annual fixed remuneration), should take into account the total variation in the compensation package of each employee that results. It is recommended that, for the first MTPB awarded, the value should be equal or lower than 50% of the maximum value recommended for the same Management Level (see table 2).

Definition of MTPB reference value

The MTPB reference values for officers and employees with Management Levels GF1, and GF2 (see Table 1 below) is based on a percentage of their total Target Performance Bonuses (Short Term + Medium Term), which is defined on an individual basis, taking into account their level of qualification and the structure of their compensation package. This is also linked to the achievement of individual Key Performance Indicators (KPIs) and is approved: For ExCom members (Management Levels GF1 and GF2): by the Shareholders' Remuneration Committee of Sonaecom, based on proposals submitted by the BNRC; and For Management Level GF3 by the Chairman of the Board of Directors, based on proposals submitted by Sonaecom ExCom;

The decision making bodies above may decide to alter the value of individual MTPBs to be awarded should the value be considered to be no longer appropriate.

SONAECOM MANAGEMENT LEVEL	REFERENCE VALUE FOR MTIP (% of Total Target Performance Bonus)	COMPOSITION OF SHARE PACKAGE	COMPOSITION OF SHARE PACKAGE
		SONAE SGPS SHARES	SONAECOM SHARES
Sonaecom Executive Directors			
GF1	50%	40%	60%
GF2	50%	30%	70%
Other Employees			
GF2			100%

Table 1 (defines the percentage of shares for each company in the portfolio)

The value of the MTIP may alter over the period between the award date and the vesting date, as it is linked to a standard share package and to the Total Shareholder Return ("TSR") of the respective Sonae SGPS and Sonaecom SGPS shares. The percentage of shares of each company which make up the standard share package is set out in Table 1 above. Vesting is dependent on the overall continuing success of the company during the 3 year vesting period, measured in accordance with the objectives set by the Shareholders' Remuneration Committee for each period of three years.

For employees with Management Levels GF3, GF4, GF5 and GF6, the MTIP reference values are based on a percentage of the Annual fixed remuneration, which is defined on an individual basis, taking into account their level of qualification and the structure of their compensation package. This is also linked to the performance of individual Key Performance Indicators (KPIs) to be approved by Sonaecom ExCom.

The MTIP reference values, for employees who have a monthly performance bonus ("commission" - "comissão"), should take into account the following: a) total commissions received on an annual basis; b) compatibility of this value, in light of the minimum and maximum STPB values awarded for other employees with the same Management Level. When the annual commissions awarded are outside the above range, the company may decide to adjust them.

MANAGEMENT LEVEL	REFERENCE VALUES FOR MTIP (% OF ANNUAL FIXED REMUNERATION)
GF3	Up to 65%
GF4	Up to 60%
GF5	Up to 50%
GF6	Up to 45%

Duration of the Plan

The MTIP plans are established annually and each plan has a three year term. As from the award date of the third consecutive plan, 3 plans with be open at the same time.

MTIP Valuation

The MTIP is valued at the award date, based on the listed share prices in Portugal of the shares that make up the respective share package. In the case of Sonae SGPS shares, the most favourable of the following prices is used: (i) the closing price on the first working day after the company's Shareholders' Annual General Meeting; or (ii) the average of the closing prices of the last 30 trading sessions, before the Annual General Meeting. For Sonaecom shares, the value is calculated by dividing the average of the closing prices of the last 30 trading sessions, before the award date.

The number of shares to be delivered is determined by dividing the MTIP value by the share price calculated at the award date (see previous paragraph). The resulting number of shares may be acquired by the beneficiaries at a discount to be defined by the company on the third anniversary of the award date.

Should dividends be distributed, or the nominal value of the shares altered, or the share capital of the respective company be changed, the number of shares under the Plan will be altered so that the number of shares, after taking account of the effects of the above changes, will remain equivalent, as a result of these changes, to the initial number of shares.

Vesting of the MTIP

At the vesting date of the MTIP, the company that awarded the MTIP retains the right to pay the cash equivalent to the value of the shares at that date, rather than deliver actual shares, provided that the Shareholding and Retention Policy described below is complied with, when applicable.

Share Retention Policy

The following Shareholding and Retention Policy ("SH&R Policy") is applicable to the members of Sonaecom's Board of Directors and to other members of the ExCom (covering Management Levels: GF1 and GF2), but only in relation to the Sonaecom shares included in their MTIP share packages:

Each GF1 or GF2 is required to retain 50% of the shares delivered on the vesting of each Plan until they hold, on an accumulated basis, a total number of shares that is equivalent to the value of 2 annual fixed salaries. The requirement to retain shares ends as soon as the respective manager holds, on an accumulated basis, a total number of shares that meets the agreed shareholding requirement, either by retaining MTIP shares awarded by Sonaecom or by acquiring shares in their individual name. The inclusion of the latter shares is optional and is of the exclusive decision of each manager, who, in this case, should inform the company of this intent and provide the respective share information. For this purpose, the annual fixed salary is the monthly base remuneration paid 14 times a year;

The SH&R Policy was applied on a transitional basis to the 2004 Plan (2005-2008) and 2005 Plan (2006-2009) with a share retention level of 20% of the shares attributed under each Plan. The 2006 Plan (2007-2010), although already awarded at the date of implementation of this regulation, will be subject to a share retention level of 50%.

The SH&R Policy, which is only applicable to Management Levels GF1 and GF2, is to be managed by the individuals involved and will be monitored by Human Resources ("DRH") and Accounting & Administrative ("DAF") departments.

Termination of the MTIP

The right to a MTIP ceases when an employee is no longer an officer or employee of Sonae SGPS, or any company that represents the sub-holding where they work, or any other company directly or indirectly affiliated with either of the above. Exceptionally, the relevant decision making bodies, may decide to continue the MTIP until its vesting date or to pay out the MTIP, based on the market value of the shares at that time.

In the event of death or permanent disability, the MTIP is valued at current market prices of the shares and the equivalent value in cash will be paid to the employee or to his or her legal heirs.

On retirement, rights to a MTIP are retained and vest on the normal vesting date.

87. Stock options assigned to the benefit of the company's employees and staff Not applicable.

88. Planned control mechanisms for any employee share capital participation scheme, to the extent voting rights are not directly exercised by them

There are no planned control mechanisms.

E. Transactions with related parties

I - Control mechanisms and procedures

89. Mechanisms implemented by the company to control transactions with related parties (for the purposes of the concept of IAS 24)

Sonaecom undertakes its transactions with related parties based on principles of rigour, transparency and strict observance of market competition rules. Such transactions are subject to specific administrative procedures that arise from regulatory requirements, specifically those related to rules for transfer prices, or voluntary adoption of internal checks and balances systems, specifically formal reporting or validation processes, based on the value of the transaction in question.

90. Indication of transactions subject to control in the reference year

Transactions with any of the entities indicated in the previous paragraph respected normal market conditions and were evaluated by the Supervisory Board. There were no transactions with any member of the Board or supervisory body during the 2013 financial year.

91. Description of the procedures and criteria applicable to intervention by the supervisory body for advance evaluation of the business to be carried out between the company and qualifying shareholders or entities in a relationship with them under Article 20 of the Portuguese Securities Code

Transactions with qualifying shareholders or entities in a relationship with them under Article 20 of the Securities Code are formally submitted for prior opinion by the Audit and Finance Committee of the Board of Directors and the Supervisory Board if their value is greater than 10 million euros. In addition, all transactions with related parties in excess of 1 million euros are also submitted for quarterly reports by these two bodies, via the secretary of the Executive Committee.

II - Business related elements

92. Indication of the location of accounting documents containing information about business with related parties, in line with IAS 24 or, alternatively, reproduction of this information

Business with related parties, in line with IAS 24, is described in note 34 of the attachment to the consolidated financial statements for 2013.



PART II - Company Governance Evaluation

1. Identification of the adopted Company Governance Code

The Company Governance Report provides a description of the company's governance structure, policies and practices, and complies with Article 245-A of the Securities Code and the information requirements contained in the Securities Market Commission Regulations no. 4/2013 of 1 August, as well as the company's observance, on a *comply or explain* basis, with the CMVM (Portuguese Securities Market) recommendations integrated into the CMVM Company Governance Code, 2013.

This document must be read as an integral part of the Annual Report and individual and consolidated financial statements for the 2013 financial year.

The information requirements of Article 3 of Law no. 28/2009 of 19 June, Articles 447 and 448 of the Companies Code, Article 245-A of the Securities Code and Regulation no. 5/2008 of the CMVM have been complied with.

All legal and regulatory standards cited in this report are available at www.cmvm.pt.

2. Analysis of compliance with the adopted Company Governance Code

The governance model adopted by Sonaecom allowed the Board of Directors and its special committees to operate normally, and no other company bodies reported any restrictions on free exercise of their functions.

The Supervisory Board exercised its supervisory function, having received appropriate support from the Board of Directors to this end, via regular provision of information supplied by the Audit and Finance Committee and by the Executive Committee.

The Statutory External Auditor monitored the company's activities and made the examinations and verifications he considered necessary to review and legally certify the accounts, interacting with the Supervisory Board, within the framework of their respective competences and responsibilities and with full collaboration from the Board of Directors.

The Board of Directors, and specifically its Audit and Finance Committee and the Executive Committee, act in harmony with the Supervisory Board and the Statutory Accountant, collaborating transparently and rigorously as requested, observing the respective company governance operating regulations and best practices.

To record the experience accumulated throughout the mandate concerning linked operation of the management body and the supervisory body under the model adopted, the bodies formalised the procedure by which the Supervisory Board interacts with the Board of Directors, the Executive Committee and the Audit and Finance Committee in an internal document.

Such procedures, developed over the term of the mandate, facilitate:

- . the exercise of the Supervisory Board's powers, formalising the bi-lateral flow of information between this body and the Board of Directors, with active intervention by the Audit and Finance Committee and the Executive Committee in reporting information about risk management mechanisms and the company's internal audits, as well as preparing and releasing financial information;
- . intervention by the Supervisory Board, via recommendations from the Board of Directors and the Executive Committee, specifically pertaining to the operation of internal control and risk management systems and, where applicable, transactions with related parties.

3. Other information

Evaluation of the independence of members of the Board of Directors

The Board of Directors did not identify any fact or event that would have caused a loss of independence for any of its independent non-executive members during the period covered by this report. This conclusion was based on written declarations issued by each of the independent members, at the request of this Board.

PART III - Analysis of Compliance with Corporate Governance Recommendations

In accordance with the corporate governance recommendations published in July 2013 by the CMVM, this section gives a detailed description of the functions, responsibilities and composition of our governance bodies. Among other subjects, this section also includes a detailed description and explanation of our remuneration policy and the shareholding positions of our directors.

Promotion of the location where the information is published

The full text containing Sonaecom's current governance rules - whether regulatory, recommended or voluntary, including the code of conduct and, in particular, the internal regulations for share transactions and conflicts of interest – are available to the general public on our website: www.sonae.com and the CMVM website: www.cmvm.pt

CMVM recommendations on company governance

The following table summarises CMVM recommendations about corporate governance published in July 2013 and the respective level of compliance by Sonaecom at 31 December 2013.

I. Company voting and control

1. Companies must encourage their shareholders to participate and vote in general assemblies, and specifically must not fix an excessively high number of shares needed to grant voting rights, and must implement the means needed to exercise voting rights by correspondence and electronically.

Recommendation fully adopted.

The company encourages its shareholders to take part in General Shareholders' Meetings, namely by assigning a vote to each share, and does not limit the number of votes that may be held or exercised by each shareholder, and provides shareholders with the necessary means to exercise their votes by post or electronically.

In addition, the company provides on its website, from the date each general shareholders' meeting is convoked, template documents intended to facilitate access to the information needed to issue shareholder notifications to ensure their presence at the meeting and also provides an electronic address to clarify any doubts and to receive all notifications of participation in the Shareholders' Meeting.

2. Companies should not adopt mechanisms that hamper decision-making by their shareholders, in particular by establishing a quorum greater than that set forth in law.

Recommendation fully adopted.

The quorum detailed in the company bylaws corresponds to the minimum required by law.

3. Companies must not establish mechanisms that aim to provoke a discrepancy between the right to receive dividends or to subscribe to new securities and the voting rights of each ordinary share, unless duly justified on the basis of the long-term interests of the shareholders.

Recommendation fully adopted.

The company has no mechanism that aims to provoke the aforementioned discrepancy.



4. Company bylaws that establish a limitation on the number of votes that can be held or exercised by a single shareholder, individually or together with other shareholders, must also establish that at least every five years the amendment or maintenance of such bylaw provision be deliberated at a general meeting of shareholders - with no requirement for an increased quorum compared to that set forth in law - and establish that, during such deliberation, all of the votes submitted will be counted without such limitation having effect.

Recommendation fully adopted.

The company bylaws do not establish any limitation on the number of votes that can be held or exercised by a single shareholder.

1.5. Measures that require payments or the assumption of orders by the company in the event of a transfer of control or a change in the composition of the Board of Directors, which appear likely to hinder the free transferability of shares and free assessment by the shareholders of the performance of members of the Board of Directors should not be adopted. Recommendation fully adopted.

The company has not adopted any measures that fall under those mentioned in the recommendation above.

II. Supervision, Administration and Inspection

II.1. SUPERVISION AND ADMINISTRATION

| 1.1. Within the limits established by law, and excluding companies of a small size, the Board of Directors must delegate the daily management of the company, and the delegated powers must be detailed in the annual report on corporate governance. Recommendation fully adopted.

The daily management of the company is delegated to an Executive Committee. See II. Administration and Supervision; c) Committees within the Board of Directors.

| 1.2. The Board of Directors must ensure that the company acts in line with its objectives, and does not delegate its powers, namely regarding: i) defining the company's general policies and strategy; ii) defining the Group's corporate structure; iii) decisions that must be considered strategic due to their amount, risk or to their special characteristics. Recommendation fully adopted.

Such responsibilities are not included in the delegation of powers of the Board of Directors in the Executive Committee.

II 1.3. Apart from exercising the inspection powers that are entrusted to them, the Supervisory and General Board must assume full responsibility in terms of the governance of the company. Consequently, by statutory provision or equivalent means, the mandatory requirement for this body to make decisions about the company's strategy and main policies, the definition of the Group's corporate structure and the decisions that must be considered strategic due to their amount or risk, must be established. This body must also assess the fulfilment of the company's strategic plan and the execution of its main policies. Recommendation not applicable.

Sonaecom did not adopt this governance model.

- II 1.4. Except when the company in question is small, the Board of Directors and the Supervisory and General Board, according to the model adopted, must establish the committees required to:
- a) Ensure a competent and independent assessment of the performance of executive directors and of their own overall performance, as well as of the different existing committees;

b) Reflect on the structural system and the governance practices adopted, check their efficacy and propose measures to be implemented, to the competent bodies, with a view to their improvement.

Recommendation fully adopted

The Audit and Finance Committee and, particularly, the Appointments and Remunerations Committee were established to this end. See II. Administration and Supervision; c) Committees within the Board of Directors.

1.5. The Board of Directors or the Supervisory and General Board, according to the applicable model, must set objectives relating to the assumption of risks and create systems to monitor these risks, with a view to guaranteeing that the risks effectively incurred are consistent with those objectives.

Recommendation fully adopted.

These systems are implemented and monitored by the company's Supervisory Board, and the Inspection Board is responsible for inspection, complemented by the additional monitoring carried out by the Audit and Finance Committee.

| 1.6. The Board of Directors must include a number of non-executive members to guarantees an effective ability to monitor, supervise and assess the activity of the other members of the Board of Directors. Recommendation fully adopted.

Six of the 10 members of the Board of Directors are not executive members.

- 1.7. There should be an adequate proportion of independent directors among the non-executive directors, taking into account the governance model adopted, the size of the company, its shareholder structure and the respective free float. The independence of the members of the Supervisory and General Board and of the members of the Audit Committee is based on the terms of the applicable legislation. As regards the other members of the Board of Directors, a party not associated with any specific group of interests in the company or who is not in any situation that may exclude them from analysis or decision, namely by virtue of the following, is considered independent:
- a) Having been an employee of the company or of a company owning it or belonging to the same group in the last three years;
- b) Having, in the last three years, rendered services or established a significant commercial relationship with the company or a company owning it or belonging to the same group, whether directly or as a partner, director, manager or manager of a legal entity;
- c) Receiving remuneration paid by the company or by a company owning it or belonging to the same group, aside from the remuneration resulting from exercising the duties of director;
- d) Co-habiting with, or being a spouse; a direct, indirect or up to third degree relative or kin of directors or of individuals who are directly or indirectly qualifying shareholders;
- e) Being a qualifying shareholder or a representative of a qualifying shareholder.

Recommendation fully adopted.

At present, the company's Board of Directors includes three non-executive independent directors, which correspond to over a quarter of the total number of directors.

| 1.8. When asked by other members of the corporate bodies, the directors who exercise executive duties must provide the information requested by such in good time and in a manner appropriate to the request.

Recommendation fully adopted.

The company directors fulfil this recommendation.

II 1.9. The president of the executive governing body or of the executive committee must, where applicable, send the Chairman of the Board of Directors, the Chairman of the Superviory Board, the Chairman of the Audit Committee, the Chairman of the Supervisory and General Board and the Chairman of the Committee for Financial Affairs, the announcements and minutes of the respective meetings.

Recommendation fully adopted.

The Chairman of the company's Executive Committee fulfils this recommendation.

| 1.10. Should the chairman of the Board of Directors exercise executive duties, this body should appoint one of its members as an independent director who ensures the co-ordination of the work of the other non-executive members and the conditions required for such to make independent and informed decisions or to find another equivalent mechanism that ensures such co-ordination.

Recommendation not applicable.

The Chairman of the company's Board of Directors does not exercise executive duties.

II 2. Inspection

| 2.1. Depending on the applicable model, the Chairman of the Inspection Board, of the Audit Committee or of the Financial Affairs Committee must be independent, in accordance with the applicable legal standard, and have the skills appropriate for exercising their respective duties.

Recommendation fully adopted.

The Chairman of the Inspection Board, as well as all of the members of this body, are independent, in accordance with the criteria established under item 5 of article 414 of the Commercial Companies Code, and have the skills and experience required to exercise their duties.

| 2.2. The inspection body must be the main interlocutor of the External Auditor and the first addressee of the respective reports, and be entrusted namely with proposing the respective remuneration and guaranteeing that the conditions appropriate for rendering services are ensured within the company.

Recommendation fully adopted.

The company fully complies with the Commercial Companies Code stipulations in terms of the duties and function of the Inspection Board. The Inspection Board is linked to the Audit and Finance Committee as detailed in this report.

| 2.3. The inspection body must annually assess the External Auditor and propose their dismissal or the termination of the service agreement to the competent body provided that there is a justifiable reason to do so. Recommendation fully adopted.

The company Inspection Board undertakes this assessment annually.

II 2.4. The inspection board must assess the function of the internal monitoring systems and of the management of risks and propose the adjustments required.



Recommendation fully adopted.

These systems are implemented and monitored by the company's Supervisory Board, and the Supervisory Board is responsible for inspection complemented by the additional monitoring carried out by the Audit and Finance Committee.

I 2.5. The Audit Committee, the Supervisory and General Board and the Inspection Board must make decisions on the work plans and the resources subject to the internal audit services and to the services that ensure the compliance of the regulations applicable to the company (compliance services), and should be the addressees of the reports prepared by these services at least when matters related to accountability, the identification or the resolution of conflicts of interest and the detection of potentially illegal acts are in question.

Recommendation fully adopted.

The internal audit services report functionally and separately to the Supervisory Board and to the Audit and Finance Committee. The company highlights that the Internal Audit reports functionally and effectively to the Supervisory Board. The report for the Audit and Finance Committee, as a specialised committee of the Board of Directors, is yet another way of reinforcing the monitoring levels and does not replace the duties of the Supervisory Board.

II.3. Establishing Remuneration

II 3.1. All members of the Remunerations Committee or equivalent must be independent from the executive members of the Board of Directors and include at least one member with knowledge and experience of remuneration policy matters. Recommendation fully adopted.

Duarte Paulo Teixeira de Azevedo, Chairman of the Board of Directors and non-executive member of this body, assembles the Remuneration Committee, having been appointed to this duty by the General Meeting, as proposed by majority shareholder Sontel, B.V.. He represents the shareholders' interests in the Remuneration Committee and does not act here in the capacity of Chairman of the Board of Directors.

In order to guarantee independence in the exercising of these duties, Duarte Paulo Teixeira de Azevedo does not take part in any discussions or deliberations that involve, or could involve, a conflict of interests Adopting this procedure ensures the conditions of independence required for members' activities and the body's decision-making.

For further information, please see point 67 of this report.

II 3.2. Any individual or entity who, in the last three years, has rendered services to any structure under the direction of the Board of Directors to the company management body itself or who currently has a relationship with the company or with a consultant of the company, should not be hired to support the Remunerations Committee in the performance of its duties. This recommendation is equally applicable to any individual or legal entity that has a relationship with such by means of an employment or service agreement.

Recommendation fully adopted.

The Appointments and Remunerations Committee, composed of independent members, supports the Remuneration Committee in the performance of its duties. It is also supported by respected international consultants whose independence is guaranteed either by the fact that they have no connection to the Board of Directors or due to their broad experience and recognised status in the market.



- II 3.3. The declaration on the remuneration policy of the management and inspection bodies, to which article 2 of Law 28/2009 of 19 June refers, must additionally contain:
- a) An identification and explanation of the criteria for determining the remuneration to members of the corporate bodies;
- b) Information about the maximum possible amount payable in individual terms and in aggregate terms to members of the corporate bodies; and an identification of the circumstances in which these maximum amounts can be payable;
- c) Information about the enforceability or lack of enforceability of payments relating to the removal or cessation of directors' duties.

Recommendation fully adopted.

The declaration on the remuneration policy was submitted to the Annual General Meeting on 27 April 2013 and contains the information referred to in this recommendation. Payments relating to the removal or cessation of directors' duties are not enforceable, without prejudice to the applicable legal provisions.

The declaration on the remuneration policy is available at www.sonae.com/investidores/assembleias-gerais/.

II 3.4. Proposals to approve plans for the allocation of shares and/or acquisition of shares or options based on variations in the price of shares must be submitted to members of the corporate bodies at the General Meeting. The proposal must contain all the elements required to properly assess the plan.

Recommendation fully adopted.

In its proposal, the company includes the approval of the share allocation plan, and always accompanies it with the respective regulation.

II 3.5. Any proposals for the approval of any retirement benefits system established for members of the corporate bodies must be submitted to the General Meeting. The proposal must contain all the elements required to properly assess the system. Recommendation not applicable.

At present, the company has no retirement pension plans in force.

III. Remuneration

III 1. The remuneration of the executive members of the management body must be based on effective performance and on discouraging the excessive assumption of risks.

Recommendation fully adopted.

The remuneration of the executive members of the company management body is based on their effective performance and discourages the excessive assumption of risks.

III 2. The remuneration of non-executive members of the Board of Directors and the remuneration of members of the Supervisory Board must not include any component whose value depends on the performance of the company or its value. Recommendation fully adopted.

The remuneration of non-executive members of the Board of Directors and the remuneration of members of the Supervisory Board includes only one fixed component. As a result, these members do not receive variable remuneration nor do they participate in the MTIP. III 3. The variable remuneration component must be generally reasonable in relation to the fixed remuneration component, and maximum limits must be established for all components.

Recommendation fully adopted.

The company remuneration policy includes a fixed component and a variable component, as set forth in the main European reference indicators. In comparative terms, the fixed remuneration is close to the average and the total remuneration is close to the third quartile of the indicators. The variable component represents over 40% of the total received. The minimum and maximum variable components are pre-established as a percentage of a fixed component and as such are objectively established.

III 4. A substantial part of the variable remuneration must be deferred for a period of no less than three years, and the right to receive this variable remuneration must be dependent on the continuation of the company's positive performance throughout this period.

Recommendation fully adopted.

The MTIP, an integral part of the remuneration of executive members of the management body, is based precisely on this deferral.

III 5. Members of the management body should not enter into contracts with the company or with third parties that aim to mitigate the risk inherent in the variability of the remuneration established for them by the company. Recommendation fully adopted.

The company did not identify any contracts of this nature.

III 6. Until the end of their term, the executive directors must maintain the company shares they have been allocated by virtue of variable remuneration schemes, up to twice the value of total annual remuneration, with the exception of those shares that must be sold in order to pay taxes on the gains from such shares.

Recommendation fully adopted.

Since 2008, the company has implemented a share retention policy that fully complies with this recommendation.

III 7. If the variable remuneration includes the allocation of options, the start of the period of exercise must be deferred by a period of no less than three years.

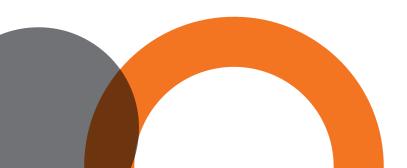
Recommendation fully adopted.

The variable component of the company remuneration does not include the allocation of options.

III 8. When the dismissal of a director is not due to serious breach of their duties or their incompetence in the normal exercising of their respective duties but, nevertheless, can be traced back to inadequate performance, the company must be equipped with the appropriate and required legal instruments so that any indemnification or compensation, aside from that legally payable, is not enforceable.

Recommendation fully adopted.

The company uses the appropriate legal instruments available in law for this situation. There are no individual contracts with the directors to define how possible compensation would be calculated. In addition, the company has never attributed or contemplated attributing compensation to the directors in the event of dismissal or cessation due to inadequate performance.



IV. AUDIT

IV 1. The External Auditor must, within their competence, verify the application of the remuneration systems and policies of the corporate bodies, the efficacy and the operation of the internal monitoring mechanisms, and report any deficiencies to the company's inspection body.

Recommendation fully adopted.

The official accounts reviewer for the company confirms the activity they performed in the 2013 period, in terms of their annual report, which is available on the company website.

IV 2. The company or any entities that hold ownership of it must not contract services other than auditing services from the External Auditor or from any entities that are in the same group as it or form part of the same network. In the event there are reasons for contracting such services - which must be approved by the inspection body and detailed in its annual report on corporate governance - they must not assume over 30% of the total value of the services rendered to the company. Recommendation fully adopted.

The company policy states that the services contracted from the External Auditor, in addition to the audit services, do not constitute over 30% of all services contracted by the company. In 2013, in particular, the percentage of services increased to 12%.

IV 3. The companies must promote rotation of the auditor after two or three terms, provided the terms are of three or four years respectively. Retaining the auditor beyond this period must be based on a specific opinion of the inspection body that expressly considers the auditor's independence and the advantages and costs of substituting the auditor. Recommendation fully adopted.

An External Auditor was appointed in 2012. The company's Supervisory Board issued an opinion on conformity with this recommendation, which was approved in the General Meeting by the company shareholders.

V. Conflicts of Interest and Transactions with Related Parties

V1. The company's dealings with qualifying shareholders, or with entities that have a relationship with qualifying shareholders, must be performed under normal market conditions according to the terms of article 20 of the Securities Code. Recommendation fully adopted.

The company has a policy of performing these types of dealings in normal market conditions.

V 2. The supervisory or inspection body must establish the procedures and criteria required to define the relevant level of significance of dealings with qualifying shareholders - or with entities that have any of the relationships stipulated in article 20 (1) of the Securities Code with such shareholders - and the realisation of substantially relevant dealings will continue to be dependent on the prior opinion of said body.

Recommendation fully adopted.

The company has a policy of informing the Supervisory Board of these types of dealings and obtaining a preliminary opinion for dealings exceeding 10 million euros.





VI. Information

VI 1. Through their website, the companies must provide access to information about their evolution and current situation in economic, financial and governance terms, in Portuguese and in English.

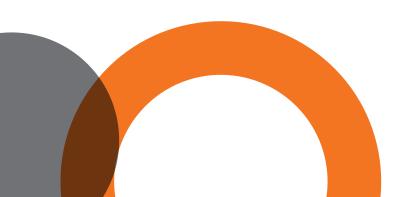
Recommendation fully adopted.

The company's website, www.sonae.com, includes information that fulfils the requirements of this recommendation.

VI 2. The companies must ensure that there is a department that supports the investor and offers permanent contact with the market, that responds to the requests of investors in good time, and that holds a record of requests submitted and how they were handled.

Recommendation fully adopted.

The company has an Investor Relations Department, which fulfils the requirements of this recommendation.









06. The performance of Sonaecom

6. Financial Information

6.1. Sonaecom consolidated financial statements

Consolidated balance sheets

For the years ended at 31 December 2013 and 2012 (restated – note 1) and for 1 January 2012 (restated – note 1)

(Amounts expressed in euro)	NOTES	DECEMBER 2013	DECEMBER 2012 (restated)	1 JANUARY 2012 (restated and not audited)
Assets				
Non-current assets				
Tangible assets	1.c, 1.h and 5	5,530,098	580,956,944	581,223,967
Intangible assets	1.d, 1.e and 6	16,647,260	379,528,108	389,119,213
Goodwill	1.f, 1.w and 7	28,434,416	517,985,506	520,782,025
Investments in associated companies and companies jointly controlled	1.b and 8	710,434,285	953,082	841,170
Investments available for sale	1.g, 4 and 10	115,448	212,323	212,323
Other non-current assets	1.g, 1.r, 1.x and 4	922,434	2,422,660	264,973
Deferred tax assets	1.p, 1.s and 11	5,199,886	101,134,781	103,853,881
Total non-current assets		767,283,827	1,583,193,404	1,596,297,552
Current assets				
Financial assets at fair value through profit or loss	1.g, 4 and 9	202,442,350	-	-
Inventories	1.i and 12	553,525	13,802,149	7,318,094
Trade debtors	1.g, 1.j, 4, 13 and 34	36,416,353	144,901,658	145,841,888
Other current debtors	1.g, 1.j, 4, 14 and 34	23,040,766	21,710,096	25,886,323
Other current assets	1.r, 1.x, 4 and 15	9,298,406	73,523,800	70,719,686
Cash and cash equivalents	1.k, 4, 16 and 34	188,014,923	61,741,010	188,606,310
Total current assets		459,766,323	315,678,713	438,372,301
Total assets		1,227,050,150	1,898,872,117	2,034,669,853
Shareholders' funds and liabilities				
Shareholders' funds				
Share capital	17	366,246,868	366,246,868	366,246,868
Own shares	1.u and 18	(7,686,952)	(5,544,847)	(13,594,518)
Reserves	1.t and 39	674,091,313	646,734,124	618,945,566
Consolidated net income/(loss) for the year		103,838,479	75,419,377	62,287,398
		1,136,489,708	1,082,855,522	1,033,885,314
Non-controlling interests	19	269,824	387,479	515,654
Total Shareholders' funds		1,136,759,532	1,083,243,001	1,034,400,968

(Amounts expressed in euro)	NOTES	DECEMBER 2013	DECEMBER 2012	1 JANUARY 2012
CONTINUED			(restated)	(restated and not audited)
Liabilities				
Non-current liabilities				
Medium and long-term loans – net of short-term portion	1.l, 1.m, 4 and 20.a	24,810,079	196,238,739	319,873,586
Other non-current financial liabilities	1.h, 4 and 21	67,937	17,308,879	16,305,644
Provisions for other liabilities and charges	1.o, 1.s and 22	3,060,986	43,673,340	48,563,051
Deferred tax liabilities	1.p, 1.s and 11	89,522	1,089,637	5,186,710
Other non-current liabilities	1.r, 1.x, 4 and 23	1,277,304	37,731,780	49,993,626
Total non-current liabilities		29,305,828	296,042,375	439,922,617
Current liabilities				
Short-term loans and other loans	1.l, 1.m, 4 and 20.b	998,996	187,170,148	118,405,031
Trade creditors	4, 24 and 34	21,768,279	168,755,674	172,285,338
Other current financial liabilities	1.h, 4 and 25	70,728	3,594,987	2,370,901
Other creditors	4, 26 and 34	10,439,327	32,644,919	43,595,334
Other current liabilities	1.r, 1.x, 4 and 27	27,707,460	127,421,013	223,689,664
Total current liabilities		60,984,790	519,586,741	560,346,268
Total Shareholders' funds and liabilities		1,227,050,150	1,898,872,117	2,034,669,853

The notes are an integral part of the consolidated financial statements at 31 December 2013 and 2012 (restated – note 1).

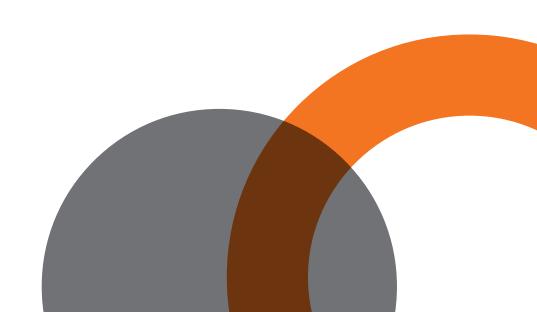
The Chief Accountant

Ricardo André Fraga Costa

The Board of Directors

Duarte Paulo Teixeira de Azevedo Ângelo Gabriel Ribeirinho Paupério António Bernardo Aranha da Gama Lobo Xavier Frank Emmanuel Dangeard

Miguel Nuno Santos Almeida António Sampaio e Mello David Charles Denholm Hobley Gervais Gilles Pellissier



Consolidated profit and loss account by nature

For the years and quarters ended at 31 December 2013 and 2012 (restated – note 1)

(Amounts expressed in euro)	NOTES	DECEMBER 2013	SEPTEMBER TO DECEMBER 2013 (restated and not audited)	DECEMBER 2012 (RESTATED)	SEPTEMBER TO DECEMBER 2012 (restated and not audited)
Sales	1.r, 28 and 34	33,057,911	8,059,387	32,248,013	6,400,000
Services rendered	1.r, 28 and 34	83,916,841	22,143,254	72,095,860	19,663,303
Other operating revenues	1.q, 29 and 34	3,475,123	951,133	2,014,005	971,537
		120,449,875	31,153,774	106,357,878	27,034,840
Cost of sales	1.i, 12 and 22	(24,753,054)	(6,248,192)	(24,854,049)	(4,791,588)
External supplies and services	1.h, 30 and 34	(44,474,432)	(9,957,306)	(42,429,435)	(10,943,771)
Staff expenses	1.x, 39 and 42	(43,318,213)	(10,837,641)	(42,637,552)	(11,978,294)
Depreciation and amortisation	1.c, 1.d, 1.f, 5, 6 and 7	(6,641,792)	(1,399,493)	(14,143,490)	(5,633,054)
Provisions and impairment losses	1.j, 1.o, 1.w and 22	(1,708,710)	(712,974)	(1,256,759)	(758,466)
Other operating costs	31	(283,057)	(70,443)	(286,082)	(116,096)
		(121,179,258)	(29,226,049)	(125,607,367)	(34,221,269)
Gains and losses in associated companies and companies jointly controlled	1.b, 8 and 32	(490,365)	(2,662,160)	32,858	(359,557)
Gains and losses on financial assets at fair value through profit or loss	1.g, 9 and 32	46,636,719	37,489,324	-	-
Other financial expenses	1.h, 1.m, 1.v, 1.w, 32 and 34	(11,998,760)	(951,023)	(16,510,748)	(4,702,347)
Other financial income	1.v, 32 and 34	7,977,160	1,036,732	2,560,865	661,252
Current income / (loss)		41,395,371	36,840,598	(33,166,514)	(11,587,081)
Income taxation	1.p, 11 and 33	(3,873,144)	(1,120,439)	(7,265)	176,093
Consolidated net income/(loss) for the year of continued operations		37,522,227	35,720,159	(33,173,779)	(11,410,988)
Consolidated net income/(loss) for the year of discontinued operations	37	66,244,220	-	108,605,828	22,932,008
Consolidated net income/(loss) for the year		103,766,447	35,720,159	75,432,049	11,521,020
Attributed to:					
Shareholders of parent company	38	103,838,479	35,779,066	75,419,377	11,517,269
Non-controlling interests		(72,032)	(58,907)	12,672	3,751
Earnings per share	38				
Including discontinued operations:					
Basic		0.29	0.10	0.21	0.03
Diluted		0.29	0.10	0.21	0.03
Excluding discontinued operations:					
Basic		0.10	0.10	(0.09)	(0.03)
Diluted		0.10	0.10	(0.09)	(0.03)

The notes are an integral part of the consolidated financial statements at 31 December 2013 and 2012 (restated – note 1).

The Chief Accountant

Ricardo André Fraga Costa

The Board of Directors

Duarte Paulo Teixeira de Azevedo Ângelo Gabriel Ribeirinho Paupério António Bernardo Aranha da Gama Lobo Xavier Frank Emmanuel Dangeard

Miguel Nuno Santos Almeida António Sampaio e Mello David Charles Denholm Hobley Gervais Gilles Pellissier

Consolidated statement of profit or loss and other comprehensive income

For the years and quarters ended at 31 December 2013 and 2012 (restated – note 1)

(Amounts expressed in euro)	NOTES	DECEMBER 2013	SEPTEMBER TO DECEMBER 2013 (restated and not audited)	DECEMBER 2012 (RESTATED)	SEPTEMBER TO DECEMBER 2012 (restated and not audited)
Consolidated net income / (loss) for the year		103,766,447	35,720,159	75,432,049	11,521,020
Components of other consolidated comprehensive income, net of tax, that will be reclassified subsequently to profit or loss:					
Changes in reserves resulting from the application of equity method	8	(2,536,500)	(2,335,500)	6,010	2,351
Changes in currency translation reserve and other	1.v	(1,155,064)	(383,964)	(1,481,952)	(303,511)
Consolidated comprehensive income for the year		100,074,883	33,000,695	73,956,107	11,219,860
Attributed to:					
Shareholders of parent company		100,146,915	33,059,602	73,943,435	11,216,109
Non-controlling interests		(72,032)	(58,907)	12,672	3,751

The notes are an integral part of the consolidated financial statements at 31 December 2013 and 2012 (restated – note 1).

The Chief Accountant

Ricardo André Fraga Costa

The Board of Directors

Duarte Paulo Teixeira de Azevedo Ângelo Gabriel Ribeirinho Paupério António Bernardo Aranha da Gama Lobo Xavier Frank Emmanuel Dangeard

Miguel Nuno Santos Almeida António Sampaio e Mello David Charles Denholm Hobley Gervais Gilles Pellissier



Consolidated movements in shareholders' funds

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								RESERVES			
(Amounts expressed in euro)	SHARE	OWN SHARES (note 18)	SHARE	LEGAL RESERVES	RESERVES FOR MEDIUM TERM INCENTIVE PLANS (note 39)	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	f 2012										
Transfers to other reserves	ı	•	•	5,161,492	•	•	70,257,885	75,419,377	1	(75,419,377)	•
Dividend distribution	ı	•	•	1	•	1	(43,281,102)	(43,281,102)	•	•	(43,281,102)
Consolidated comprehensive income for the year ended at 31 December 2013	1	•	ı	•	•	•	(3,691,564)	(3,691,564)	ı	103,838,479	100,146,915
Acquisition of own shares	•	(2,500,042)	•	•	•	2,500,042	(2,500,042)	•		•	(2,500,042)
Delivery of own shares under the Short and Medium Term Incentive Plans (notes 1.x and 39)	ı	357,937	ı	1	(425,568)	(357,937)	430,292	(353,213)		•	4,724
Effect of the recognition of the Medium Term Incentive Plans (notes 1.x and 39)	ı	1	1	1	4,320,629	1	•	4,320,629	ı	ı	4,320,629
Early termination of the derivate on own shares (Notas 34 e 59)	ı	1	1	1	•	1	1,411,644	1,411,644	ı	ı	1,411,644
Derecognition of Incentive Plans of Discontinued operations (note 3.e)		•	•	ı	(6,468,582)	1	•	(6,468,582)	1	1	(6,468,582)
Balance at 31 Dezember 2013	366,246,868	(7,686,952)	775,290,377	13,152,684	1,077,258	7,686,952	(123,115,958)	674,091,313	ı	103,838,479	1,136,489,708
Non-controlling interests											
Balance at 31 December 2012	ı	1	•	•	1	i		ı	387,479		387,479
Non-controlling interests in comprehensive income	•	1	•	1	•	•	ı	•	(72,032)		(72,032)
Dividend distribution	•	•	•	•	•	•	•	1	(29,880)	1	(29,880)
Other changes	ı	•			•	•	•	1	(15,743)	•	(15,743)
Balance at 31 December 2013	ı	•	•	•	•	•		ı	269,824		269,824
Total	366,246,868	(7,686,952)	775,290,377	13,152,684	1,077,258	7,686,952	(123,115,958)	674,091,313	78'692	103,838,479	1,136,759,532

Consolidated movements in shareholders' funds (continued)

For the years ended at 31 December 2013 and 2012 (restated - note 1)

								RESERVES			
(Amounts expressed in euro)	SHARE	OWN SHARES (note 18)	SHARE	LEGAL	RESERVES FOR MEDIUM TERM INCENTIVE PLANS (note 39)	RESERVES OF OWN SHARES	OTHER	TOTAL RESERVES	NON- -CONTROLLING INTERESTS	NET INCOME /(LOSS)	TOTAL
2012											
Balance at 31 December 2011 (restated)	366,246,868	(13,594,518)	775,290,377	7,991,192	7,119,989	13,594,518	(185,050,511)	618,945,566	ı	62,287,398	1,033,885,314
Appropriation of the consolidated net result of 2011 (restated)	: 2011 (restated)										
Transfers to other reserves (restated)	1	•	•	•	•	1	62,287,398	62,287,398	ı	(62,287,398)	ı
Dividend distribution	1	•		1	•	ı	(25,172,240)	(25,172,240)	ı	ı	(25,172,240)
Consolidated comprehensive income for the yearended at 31 December 2012	•		1			1	(1,475,942)	(1,475,942)	ı	75,419,377	73,943,435
Acquisition of own shares	1	(3,382,977)		1	•	3,382,977	(3,382,977)	,	ı	1	(3,382,977)
Delivery of own shares under the Short and Medium Term Incentive Plans (notes 1.x and 39)		11,432,648	ı	ı	(7,927,434)	(11,432,648)	10,342,721	(9,017,362)	I	ı	2,415,286
Effect of the recognition of the Medium Term Incentive Plans (notes 1.x and 39)	•		1		4,458,224	1	ı	4,458,224	1		4,458,224
Derivate on own shares (notes 34 and 39)	1	•	•	•	•	•	(3,291,520)	(3,291,520)	ı	•	(3,291,520)
Balance at 31 December 2012	366,246,868	(5,544,847)	775,290,377	7,991,192	3,650,779	2,544,847	(145,743,071)	646,734,124	ı	75,419,377	1,082,855,522
Non-controlling interests											
Balance at 31 December 2011	1	1		1	1	1			515,654	1	515,654
Non-controlling interests in comprehensive income	•	•	1		ı	1	1	1	12,672		12,672
Dividend distribution	1	1		1	1	ı	1	1	(124,500)	1	(124,500)
Other changes	1	•		1		1			(16,347)	1	(16,347)
Balance at 31 December 2012	1	1	•	1		1	•	•	387,479	1	387,479
Total	366,246,868	(5,544,847)	775,290,377	7,991,192	3,650,779	5,544,847	(145,743,071)	646,734,124	387,479	75,419,377	1,083,243,001

The notes are an integral part of the consolidated financial statements at 31 December 2013 and 2012 (restated – note 1).

The Chief Accountant

Ricardo André Fraga Costa

The Board of Directors

David Charles Denholm Hobley Miguel Nuno Santos Almeida António Sampaio e Mello **Gervais Gilles Pellissier** António Bemardo Aranha da Gama Lobo Xavier Ângelo Gabriel Ribeirinho Paupério Duarte Paulo Teixeira de Azevedo Frank Emmanuel Dangeard

Jean-François René Pontal

Maria Cláudia Teixeira de Azevedo

Consolidated cash flow statements

For the years ended at 31 December 2013 and 2012 (restated – note 1)

			ı	
(Amounts expressed in euro)		DECEMBER 2013		DECEMBER 2012 (restated)
Operating activities				
Receipts from trade debtors	555,100,940		790,637,975	
Payments to trade creditors	(329,681,342)		(468,538,462)	
Payments to employees	(83,146,614)		(103,799,232)	
Cash flows from operating activities	142,272,984		218,300,281	
Payments / receipts relating to income taxes, net	(4,380,429)		(6,090,960)	
Other payments / receipts relating to operating activities, net	(6,436,770)		(7,879,746)	
Cash flows from operating activities (1)		131,455,785		204,329,575
Investing activities				
Receipts from:				
Financial investments	15,557		-	
Tangible assets	860,225		14,884,601	
Intangible assets	1,002,664		468,857	
Interest and similar income	5,802,467		6,407,460	
Loans granted	427,850,000		-	
Dividends	-	435,530,913	11,443	21,772,361
Payments for:				
Financial investments	(1,303,441)		(5,976,854)	
Tangible assets	(69,813,219)		(102,441,172)	
Intangible assets	(28,879,720)		(118,117,761)	
Loans granted	-	(99,996,380)	(1,230,806)	(227,766,593)
Cash flows from investing activities (2)		335,534,533		(205,994,232)
Financing activities				
Receipts from:				
Loans obtained	3,925,434	3,925,434	62,749,401	62,749,401
Payments for:				
Leasing	(2,617,595)		(2,781,029)	
Interest and similar expenses	(13,170,914)		(17,945,269)	
Dividends	(43,310,983)		(25,296,740)	
Acquisition of own shares	(2,500,042)		(3,382,976)	
Loans obtained	(369,952,000)	(431,551,534)	(138,000,000)	(187,406,014)
Cash flows from financing activities (3)		(427,626,100)		(124,656,613)
Net cash flows (4)=(1)+(2)+(3)		39,364,218		(126,321,270)
Effect of the foreign exchanges		(489,036)		(281,024)
Effect of the discontinued operations		87,443,813		-
Cash and cash equivalents at the beginning of the year		61,685,720		188,288,014
Cash and cash equivalents at the end of the year		188,004,715		61,685,720

 $The notes are an integral part of the consolidated financial statements at 31 \, December 2013 \, and \, 2012 \, (restated-note \, 1)$

The Chief Accountant

Ricardo André Fraga Costa

The Board of Directors

Duarte Paulo Teixeira de Azevedo Ângelo Gabriel Ribeirinho Paupério António Bernardo Aranha da Gama Lobo Xavier Frank Emmanuel Dangeard

Miguel Nuno Santos Almeida António Sampaio e Mello David Charles Denholm Hobley Gervais Gilles Pellissier

Notes to the consolidated cash flow statements

For the years ended at 31 December 2013 and 2012 (restated – note 1)

1. Acquisition or sale of subsidiaries or other businesses

	DECEMBER 2013	DECEMBER 2012 (RESTATED)
a) Amounts received of sales		
Distrinews, S.A.	9,375	-
Infosystems	6,182	-
	15,557	-
b) Amounts paid of acquisitions		
Connectiv Solutions, Inc	1,213,537	5,970,672
Saphety Brasil	56,904	-
Saphety Colombia	20,500	-
Distrinews, S.A.	12,500	-
Infosystems	-	6,182
	1,303,441	5,976,854

2. Details of cash and cash equivalents

61,741,010
55,290
61,685,720
(55,290)
54,878,917
6,740,186
121,907
MBER 2012 (restated)
-

${\bf 3.\, Description\,\, of\,\, non-monetary\, financing\,\, activities}$

	NOTES	DECEMBER 2013	DECEMBER 2012 (restated)
a) Bank credit obtained and not used	20	16,000,000	69,000,000
b) Purchase of company through the issue of shares		Not applicable	Not applicable
c) Conversion of loans into shares		Not applicable	Not applicable



4. Cash flow breakdown by activity

ACTIVITY	CASH FLOW FROM OPERATING ACTIVITIES	CASH FLOW FROM INVESTING ACTIVITIES	CASH FLOW FROM FINANCING ACTIVITIES	NET CASH FLOWS
2013				
Telecommunication	145,550,815	(90,693,038)	(22,210,261)	32,647,516
Multimedia	(2,855,285)	(850,037)	(55,686)	(3,761,008)
Information Systems	(2,301,853)	(3,654,595)	(682,486)	(6,638,934)
Holding	(8,937,892)	430,732,203	(404,677,667)	17,116,644
	131,455,785	335,534,533	(427,626,100)	39,364,218

ACTIVITY	CASH FLOW FROM OPERATING ACTIVITIES	CASH FLOW FROM INVESTING ACTIVITIES	CASH FLOW FROM FINANCING ACTIVITIES	NET CASH FLOWS
2012 (restated)				
Telecommunication	204,051,209	(198,113,464)	(19,804,451)	(13,866,706)
Multimedia	(4,264,477)	(753,096)	(7,044)	(5,024,617)
Information Systems	559,005	(8,280,318)	5,283,394	(2,437,919)
Holding	3,983,838	1,152,646	(110,128,512)	(104,992,028)
	204,329,575	(205,994,232)	(124,656,613)	(126,321,270)

The notes are an integral part of the consolidated financial statements at 31 December 2013 and 2012 (restated – note 1).

The Chief Accountant

Ricardo André Fraga Costa

The Board of Directors

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6.2. 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 093X - Telecomunicações Celulares, S.A. ('EDP') and Parpública - Participações Públicas, SGPS, S.A. ('Parpública'). The corresponding public deed was executed on 18 October 2006.

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

During the year ended at 31 December 2013, the merger between Zon Multimédia - Serviços de Telecomunicações e Multimédia, SGPS, S.A. ('Zon') and Optimus SGPS, SA (note 3.e) was closed. Accordingly, the telecommunications segment was classified, for presentation purposes, as an discontinued operation and the Group's business became of:

- Multimedia;
- Information systems consultancy.

Additionally, since the merger mentioned above, the telecommunications segment became jointly controlled (note 8).

The Group operates in Portugal and has subsidiaries (from the information systems consultancy segment) operating in about 16 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 through full consolidation method (note 2) in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). These financial statements were prepared based on the acquisition cost, except for the revaluation of some financial instruments.

For Sonaecom, there are no differences between IFRS as adopted by European Union and IFRS published by the International Accounting Standards Board, with the exception of the start dates of the adoption of the standards indicated below.

Sonaecom adopted 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 year ended at 31 December 2013:

STANDARD / INTERPRETATION

EFFECTIVE DATE

IFRS 13 (Fair Value Measurement)

It will improve consistency and reduce complexity by providing, for the first time, a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs

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

IAS 19 - Amendments

1-lan-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

The amendments to IAS 1 require companies preparing financial statements in accordance with IFRSs to group together items within OCI.

IFRS 7 - Admendments (Disclosures od Financial Instruments)

The amendments require additional disclosures regarding financial instruments, particularly, information about those subject to compensation agreements and similars.

IFRIC 20 (Stripping Costs 1-Jan-13

in the Production Phase of a Surface Mine)

The Interpretation clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods.

IFRS 1 - Amendments

1-Jan-13

The amendments referred to the Government Loans addresses how a firsttime 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

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 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 interretations had no material effect on the financial statements of the Group.



 $^{^{\}star})$ In accordance with the Regulation which approves the amendment to IAS 12, an entity shall use this standard no later than periods beginning on or after January 1, 2013. The early adoption is however permitted

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 $% \left\{ 1,2,...,n\right\}$ (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.

(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.

(Investments in Associates

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

Amendments to IFRS 10, IFRS 12 and IAS 27

1-Jan-14

(Investment Entities);

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.

IAS 32- Admendments

1-Jan-14

(Offsetting Financial Assets and Financial Liabilities)

IAS 32 is amended to refer to the disclosure requirements in respect of offsetting arrangements.

Amendments to IAS 36

1-Jan-14

(Recoverable amount disclosures

The amendments introduce additional disclosures and clarify the disclosures required when an asset is impaired and the recoverable amount of assets

Amendments to IAS 39

(Novation of Derivatives and Continuation of Hedge Accounting)

was based on Fair Value Less Cost of Disposal.

The objective of the proposed amendments is to provide an exception to the requirement for the discontinuation of hedge accounting in IAS 39 and IFRS 9 in circumstances when a hedging instrument is required to be novated as a result of laws or regulations.

(**) 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.

These standards, although endorsed by the European Union, were not adopted by the Company for the year ended at 31 December 2013, since their application is not yet mandatory. 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) 1-Jan-15

(Financial Instruments) and subsequent amendments

This standard is the first step in the project to replace IAS 39, and it

introduces new requirements for classifying and measuring financial assets. Subsequent amendments refer to amendments to IFRS 9 and IFRS 7: Mandatory Effective Date and Transition Disclosures issued on 16 December 2011; Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39 issued on 19 November 2013).

IAS 19 - Amendments Employee Contributions)

1-Jul-14

The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service.

Annual Improvements to IFRSs 2010–2012 Cycle

1-101-14

Annual Improvements to IFRSs 2010-2012 Cycle is a collection of amendments to IFRSs in response to eight issues addressed during the 2010–2012 cycle for annual improvements to IFRSs.

Annual Improvements to IFRSs 2011-2013 Cycle

1-Jul-14

Annual Improvements to IFRSs 2011–2013 Cycle is a collection of amendments to IFRSs in response to four issues addressed during the 2011–2013 cycle for annual improvements to IFRSs.

1-Jan-14

(Levies Charged by Public Authorities on Entities that Operate in a Specific Market)

This interpretation clarifies on when a liability to pay a levy imposed by a government (does not include income taxes - see IAS 12 Income taxes) should be recognised by an entity. IFRIC 21 identifies that the obligating event that gives rise to a liability is the activity that triggers the payment of the levy in accordance with the relevant legislation.

These standards have not yet been approved ('endorsed') by the European Union and, as such, were not adopted by the Group for the year ended at 31 December 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 IFRS 11 - Joint arrangements is issued by IASB and endorsed by the European Union with mandatory application only in future periods or financial years after 1 January 2014. During the year ended at 31 December 2013, in order to an-

ticipate possible future impacts of the standard abovementioned, improving the future comparability of the financial statements, the Group decided to report all companies jointly controlled (Sirs, Unipress, Zopt, Infosystems and SSI Angola) according to the equity method, under the IAS 31 - Joint ventures, which is similar to the arragements laid down in IFRS 11.

As set forth by the standards, this change has been applied retrospectively and therefore the consolidated balances sheets at 1 January 2012 and 31 December 2012 and the consolidated profit and loss statements for the year ended at 31 December 2012, were changed.

The effects of these changes in balances sheets at 1 January 2012 and 31 December 2012 and in profit and loss statements for the year ended at 31 December 2012 are as follow:



DALANCE CHEET AT 1 IANUARY 2012

BALANCE SHEET AT 1 JANUARY 2012							
(Amounts expressed in Euro)	BEFORE THE CHANGE	EFFECTS OF THE CHANGE OF THE CON- SOLIDATION METHOD OF THE COMPA- NIES JOINTLY CONTROLLED	BALANCE SHEET RESTATED				
Assets							
Tangible assets	583,413,555	(2,189,588)	581,223,967				
Intangible assets	389,121,882	(2,669)	389,119,213				
Goodwill	521,103,723	(321,698)	520,782,025				
Investments in associated companies and companies jointly controlled	-	841,170	841,170				
Other non-current assets	477,296	-	477,296				
Deferred tax assets	103,853,881	-	103,853,881				
Non-current assets	1,597,970,337	(1,672,785)	1,596,297,552				
Trade debtors	146,137,974	(296,086)	145,841,888				
Cash and cash equivalents	189,350,054	(743,744)	188,606,310				
Other current assets	104,022,427	(98,324)	103,924,103				
Current assets	439,510,455	(1,138,154)	438,372,301				
Total assets	2,037,480,792	(2,810,939)	2,034,669,853				
Liabilities							
Medium and long- term loans – net of short-term portion	320,176,857	(303,271)	319,873,586				
Other non-current financial liabilities	17,990,531	(1,684,887)	16,305,644				
Provisions for other liabilities and charges	48,549,956	13,095	48,563,051				
Other non-current liabilities	55,180,336	-	55,180,336				
Non-current liabilities	441,897,680	(1,975,063)	439,922,617				
Short-term loans and other loans	118,405,031	-	118,405,031				
Trade creditors	172,622,586	(337,248)	172,285,338				
Other current li- abilities	270,154,527	(498,628)	269,655,899				
Current liabilities	561,182,144	(835,876)	560,346,268				
Total liabilities	1,003,079,824	(2,810,939)	1,000,268,885				
Shareholders' funds excluding non- controlling interests	1,033,885,314	-	1,033,885,314				
Non-controlling interests	515,654	-	515,654				
Total Shareholders' funds	1,034,400,968	-	1,034,400,968				
Total Shareholders' funds and liabilities	2,037,480,792	(2,810,939)	2,034,669,853				



BALANCE SHEET AT 31 DECEMBER 2012

BALANCE SHEET AT 31 DECEMBER 2012							
(Amounts expressed in Euro)	BEFORE THE CHANGE	EFFECTS OF THE CHANGE OF THE CON- SOLIDATION METHOD OF THE COMPA- NIES JOINTLY CONTROLLED	BALANCE SHEET RESTATED				
Assets							
Tangible assets	582,787,339	(1,830,395)	580,956,944				
Intangible assets	379,531,369	(3,261)	379,528,108				
Goodwill	518,307,204	(321,698)	517,985,506				
Investments in associated companies and companies jointly controlled	-	928,082	928,082				
Other non-current assets	2,634,983	25,000	2,659,983				
Deferred tax assets	101,134,781	-	101,134,781				
Non-current assets	1,584,395,676	(1,202,272)	1,583,193,404				
Trade debtors	145,116,712	(215,054)	144,901,658				
Cash and cash equivalents	62,419,042	(678,032)	61,741,010				
Other current assets	108,992,356	43,689	109,036,045				
Current assets	316,528,110	(849,397)	315,678,713				
Total assets	1,900,923,786	(2,051,669)	1,898,872,117				
Liabilities							
Medium and long-term loans – net of short-term portion	196,412,663	(173,924)	196,238,739				
Other non-current financial liabilities	18,712,963	(1,404,084)	17,308,879				
Provisions for other liabilities and charges	43,612,202	61,138	43,673,340				
Other non-current liabilities	38,821,417	-	38,821,417				
Non-current liabilities	297,559,245	(1,516,870)	296,042,375				
Short-term loans and other loans	187,170,148	-	187,170,148				
Trade creditors	168,996,364	(240,690)	168,755,674				
Other current liabilities	163,955,028	(294,109)	163,660,919				
Current liabilities	520,121,540	(534,799)	519,586,741				
Total liabilities	817,680,785	(2,051,669)	815,629,116				
Shareholders' funds excluding non-controlling interests	1,082,855,522	-	1,082,855,522				
Non-controlling interests	387,479	-	387,479				
Total Shareholders' funds	1,083,243,001	-	1,083,243,001				
Total Shareholders' funds and liabilities	1,900,923,786	(2,051,669)	1,898,872,117				

Merger operation of Optimus SGPS and Zon

Also, during the year ended at 31 December 2013, the telecommunications segment (Optimus SA, Be Artis, Be Towering, Sontária and Permar) was classified, for presentation purposes, as a discontinued operation, as a result of a merger by the incorporation of Optimus SGPS in Zon (note 3.e). As set forth by IFRS 5, changes were made in the consolidated profit and loss statements for the years ended at 31 December 2013 and 2012, in order to disclose a single caption in profit and loss statements ('Net income/(loss) for the year of discontinued operations') related to net income/(loss) of discontinued operations.

PROFIT AND LOSS STATEMENT AT 31 DECEMBER 2012

(Amounts express in Euro)	BEFORE THE CHANGE	EFFECTS OF THE CHANGE OF THE CONSOLIDATION METHOD OF THE COMPANIES JOINTLY CON- TROLLED	RESTATEMENT OF THE TELECOMMUNI- CATIONS' CONTRIBUTION TO DISCONTINUED OPERATIONS	BALANCE SHEET RESTATED
Total revenue	834,728,342	(1,381,630)	(726,988,834)	106,357,878
Costs and losses				
External supplies and services	(392,774,557)	(139,148)	350,484,270	(42,429,435)
Depreciation and amortisation	(153,404,977)	462,067	138,799,420	(14,143,490)
Other operating costs	(195,965,988)	1,000,135	125,931,411	(69,034,442)
	(742,145,522)	1,323,054	615,215,101	(125,607,367)
Financial results	(14,009,739)	27,289	65,425	(13,917,025)
Income taxation	(3,141,032)	31,287	3,102,480	(7,265)
Consolidated net income/ (loss) for the year of contin- ued operations	75,432,049	-	(108,605,828)	(33,173,779)
Consolidated net income/ (loss) for the year of discontinued operations	-	-	108,605,828	108,605,828
Consolidated net income/ (loss) for the year of discontinued operations	75,432,049	-	-	75,432,049
Attributed to non-controlling interests	12,672	-	-	12,672
Attributed to shareholders of parent company	75,419,377	-	-	75,419,377
Earnings per share	2			
Including disconti	nued operations	:		
Basic	0.21	0.00	0.00	0.21
Diluted	0.21	0.00	0.00	0.21
Excluding discont	inued operation	s:		
Basic	0.21	0.00	(0.30)	(0.09)
Diluted	0.21	0.00	(0.30)	(0.09)

The accounting policies and measurement criteria adopted by the Group on 31 December 2013, with the exception of the above metioned changes, 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 and companies jointly controlled

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.

The investments in companies jointly controlled are also recorded using the equity method. The classification of these investments is determinated based on Shareholders Agreements, which regulate the shared control.

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 and companies jointly controlled is performed annually, with the aim of detecting possible impairment situations.

When the Group's share of accumulated losses of an associated company or a company jointly controlled 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 or a company jointly controlled, a situation when a provision is recorded under the caption 'Provisions for other liabilities and charges'.

The difference between the acquisition price of the investments in associated companies and companies jointly controlled and the fair value of identifiable assets and liabilities at the time of their acquisition, when positive, is recorded as Goodwill, included in the investment value and, when negative, after a reassessment, is recorded, directly, in the profit and loss statement under the caption 'Gains and losses in companies in associated companies and companies jointly controlled'.

A description of the associated companies and companies jointly controlled is disclosed in note 8.

c) 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 and other constructions	1 - 20
Plant and machinery	4 - 20
Fixtures and fittings	1-15
Vehicles	1 - 4
Other tangible assets	4 - 20

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.

d) 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, brands. patents, costs incurred with the acquisition of customers' portfolios (value attributed under the purchase price allocation in business combinations) and know-how.

Amortisations of intangible assets are calculated on a straightline monthly basis, over the estimated useful life of the assets (one to nineteen years), as from the month in which the corresponding expenses are incurred. The amortisation of the customer's portfolios is provided on a straight-line basis over the estimated average retention period of the customers (six years).

Expenditures with internally-generated intangible assets, namely research and development expenditures, are recognised in the profit and loss statement when incurred.

Development expenditures can only be recognised as an intangible asset if the Group demonstrates the ability to complete the project and is able to put it in use or available for sale.

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

e) 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.

f) Goodwill

The differences between the price of investments in subsidiaries added the value of non-controlling interests, and the amount attributed to the fair value of the identifiable assets and liabilities at the time of their acquisition, when positive, are recorded under the caption 'Goodwill', and, when negative, after a reappreciation of its calculation, are recorded directly in the profit and loss statement. The Group will 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 w). Impairment losses of Goodwill are recorded in the profit and loss statement for the period under the caption 'Depreciation and amortisation'.

g) Financial instruments

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

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

(i) 'Financial assets at fair value through profit or loss'

This category has two sub-categories: financial assets held for trading and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if it has been acquired mainly with the purpose of selling it in the short term or if the adoption of this method allows reducing or eliminating an accounting mismatch. Derivatives are also registered as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to mature within 12 months of the balance sheet date.

(ii) 'Loans and receivables'

Loans and receivables are non-derivative financial assets with fixed or variable payments that are not quoted in an active market. These financial investments arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable.

Loans and receivables are carried at amortised cost using the effective interest method, deducted from any impairment losses

Loans and receivables are recorded as current assets, except when their maturity is greater than 12 months from the balance sheet date, a situation in which they are classified as

non-current assets. Loans and receivables are included in the captions 'Trade debtors' and 'Other current debtors' in the balance sheet.

(iii) 'Held-to-maturity investments'

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

At 31 December 2013 the Group did not hold any 'Held-tomaturity 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 tradedate - 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 availablefor-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.

h) 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.

i) 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'.

j) 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 impairment losses'. Future reversals of impairment losses are recorded in the profit and loss statement under the caption 'Provisions and impairment losses'.

k) 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, subsidiary companies and companies jointly controlled 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.

I) 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.

m) 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.

n) 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 December 2013, the Group had foreign exchange forwards to hedge the foreign currency risk related to account receivables in dollars (note 1.v), in addition to those mentioned in note 1.x).

o) 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.

p) Income tax

'Income tax' expense represents the sum of the tax currently payable and deferred tax. Income tax is recognised in accordance with IAS 12 - 'Income Taxes'.

Sonaecom has adopted, since 1 January 2008, the special regime for the taxation of groups of companies, under which, the provision for income tax is determined on the basis of the estimated taxable income of all the companies covered by that regime, in accordance with such rules. The special regime for the taxation of groups of companies covers all subsidiaries on which the Group holds at least 90% of their share capital, with its headquarters located in Portugal and subject to Corporate Income Tax (IRC). The remaining Group companies not covered by the special regime for the taxation of groups of companies are taxed individually based on their respective taxable income, in accordance with the tax rules in force in the location of the headquarters of each company.

Deferred taxes are calculated using the liability method and reflect the timing differences between the amount of assets and liabilities for accounting purposes and the respective amounts for tax purposes.

Deferred tax assets are only recognised when there is reasonable expectation that sufficient taxable profits shall arise in the future to allow such deferred tax assets to be used. At the end of each year the recorded and unrecorded deferred tax assets are revised and they are reduced whenever their realisation ceases to be probable, or increased if future taxable profits are, likely, enabling the recovery of such assets (note 11).

Deferred taxes are calculated with the tax rate that is expected to be in force at the time the asset or liability will be used based on decreed tax rate or substantialy decreed tax rate at balance sheet date.

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.

q) Government subsidies

Subsidies awarded to finance personnel costs are recognised as less cost during the period in which the Group incurs the associated costs and are included in the profit and loss statement under the caption 'Staff expenses'.

Subsidies awarded to finance investments are recorded as deferred income on the Balance Sheet and are included in the profit and loss statement under the caption 'Other operating revenues'. Subsidies are recognized during the estimated useful life of the corresponding assets.

r) 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 noncurrent 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.o).

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 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.

s) Balance sheet classification

Assets and liabilities due in more than one year from the date of the balance sheet are classified, respectively, as non-current assets and non-current liabilities.

In addition, considering their nature, the 'Deferred taxes' and the 'Provisions for other liabilities and charges', are classified as non-current assets and liabilities (notes 11 and 22).

t) 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.n)) 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 IFRS. Additionally, the increments resulting from the application of fair value through equity components, including its implementation through net results, shall be distributed only when the elements that gave rise to them are sold, liquidated or exercised or when they finish their use, in the case of tangible or intangible assets. Therefore, at 31 December 2013, Sonaecom, SGPS, S.A. didn't have free reserves distributable.

u) 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'.

v) 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 December	Average	31 December	Average
Pounds Sterling	1.1995	1.1780	1.2253	1.2337
Brazilian Real	0.3070	0.3508	0.3699	0.4000
American Dollar	0.7251	0.7533	0.7579	0.7787
Polish Zloti	0.2407	0.2383	0.2455	0.2391
Australian Dollar	0.6484	0.7294	0.7867	0.8063
Mexican Peso	0.0553	0.0591	0.0582	0.0592
Egyptian Pound	0.1044	0.1097	0.1200	0.1282
Malaysian Ringgit	0.2211	0.2393	0.2479	0.2521
Chilean Peso	0.0014	0.0015	0.0016	0.0016
Singapore Dollar	0.5743	0.6021	0.6207	0.6232
Swiss Franc	0.8146	0.8125	0.8284	0.8297
Swedish Krona	0.1129	0.1156	0.1165	0.1149
South African Rand	0.0687	0.0783	0.0895	0.0950
Angolan Kwanza	0.0074	0.0078	0.0079	0.0082
Moroccan Dirham	0.0890	0.0897	0.0897	0.0902

At 31 December 2013, the Group had foreign exchange forwards amount to USD 4,060,461, fixing the exchange rate for EUR, which have an average maturity of 2 months.

w) 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 in associated companies, 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 goodwill and financial investments in companies jointly controlled the recoverable amount is determinated taking into account with several information as business plans approved by the Board of Directors and the average ratings of external reviewers (researches).

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.

x) 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';
- (vi) 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.

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 by Sonaecom and under the MTIP of Sonaecom and fixed the shares' acquisition price. The remaining Sonaecom share plans are covered through the detention of own shares. 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 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'.

y) 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.

z) Judgements and estimates

The most significant accounting estimates reflected in the consolidated financial statements of the years ended at 31 December 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; and
- (iii) Recognition of impairment losses on assets (Trade debtors and Inventories) and provisions.

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.

aa) 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.n).

The Group is also exposed to equity price risks arising from equity investments, although they are usually maintained for strategic purposes.

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, Colombia, 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.n).

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.

The amount of assets and liabilities (in Euro) belonging to the Group and recorded in a different currency is as follows:

		ASSETS		LIABILITIES
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
American Dollar	21,637,176	32,707,010	20,865,270	21,340,761
Australian Dollar	91,470	305,350	268,625	725,109
Egyptian Pound	515,284	263,579	-	-
Pounds Sterling	5,261,738	5,655,658	5,623,137	5,460,702
Mexican Peso	2,769,540	4,400,339	1,281,814	2,428,601
Brazilian Real	6,222,138	8,613,476	4,829,559	8,206,410
Malaysian Ringgit	648,169	443,425	431,156	486,415
Polish Zloti	150,473	595,894	361,454	1,093,950
Singapore Dollar	404,516	456,970	31,174	42,279
Swiss Franc	345,616	70,411	-	346
Pesos Colombianos	49,911	-	114,726	-

The Group's sensitivity to the variations of the exchange rate is as follows:

				1	
			2013		2012
	Change in exchange rates	Income	Share- holders' funds	Income	Share- holders' funds
American Dollar	5%	35,495	3,101	504,175	64,137
Australian Dollar	5%	(2,929)	(5,928)	(18,495)	(2,493)
Swiss Franc	5%	17,281	-	3,503	-
Egyptian Pound	5%	25,764	-	13,179	-
Pounds Sterling	5%	132,546	(150,616)	133,033	(123,285)
Mexican Peso	5%	44,162	30,225	49,863	48,724
Brazilian Real	5%	(604)	70,233	(182)	20,535
Malaysian Ringgit	5%	17,071	(6,221)	4,116	(6,265)
Polish Zloti	5%	(10,633)	84	(29,511)	4,608
Singapore Dollar	5%	18,663	4	20,172	562
Euro	5%	(118,973)	-	(443,912)	-
Pesos Colombi- anos	5%	1,051	(4,291)	-	-
		158,893	(63,410)	235,941	6,524

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 20) 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

The analysis of sensibility to interest rate risk is presented in note 20.

Liquidity risk

The existence of liquidity in the Group requires the definition of some policies for an efficient and secure management of the liquidity, allowing us to maximise the profitability and to minimise the opportunity costs related to that liquidity.

The liquidity risk management has a threefold objective: (i) Liquidity, ie, to ensure the permanent access in the most efficient way to obtain sufficient funds to settle current payments within the respective dates of maturity as well as any eventual not forecasted requests for funds, within the deadlines set for this; (ii) Safety, ie to minimise the probability of default in any reimbursement of application of funds; and (iii) Financial Efficiency, ie, to ensure that the Group maximises the value / minimises the opportunity cost of holding excess liquidity in the short term.

The main underlying policies correspond to the variety of instruments allowed, the maximum acceptable level of risk, the maximum amount of exposure by counterparty and the maximum periods for investments.

The existing liquidity in the Group should be applied to the alternatives and by the order described below:

- (i) Amortisation of short-term debt after comparing the opportunity cost of amortisation and the opportunity cost related to alternative investments;
- (ii) Consolidated management of liquidity the existing liquidity in Group companies, should mainly be applied in Group companies, to reduce the use of bank debt at a consolidated level; and
- (iii) Applications in the market.

The applications in the market are limited to eligible counterparties, with ratings previously established by the Board and limited to certain maximum amounts by counterparty.

The definition of maximum amounts intends to ensure that the application of liquidity in excess is made in a prudent way and taking into consideration the best practices in terms of bank relationships.

The maturity of applications should equal the forecasted payments (or the applications should be easily convertible, in the case of asset investments, to allow urgent and not estimated payments), considering a threshold for eventual deviations on the estimates. The threshold depends on the accuracy level of treasury estimates and would be determined by the business. The accuracy of the estimates is an important variable to quantify the amounts and the maturity of the applications in the market.

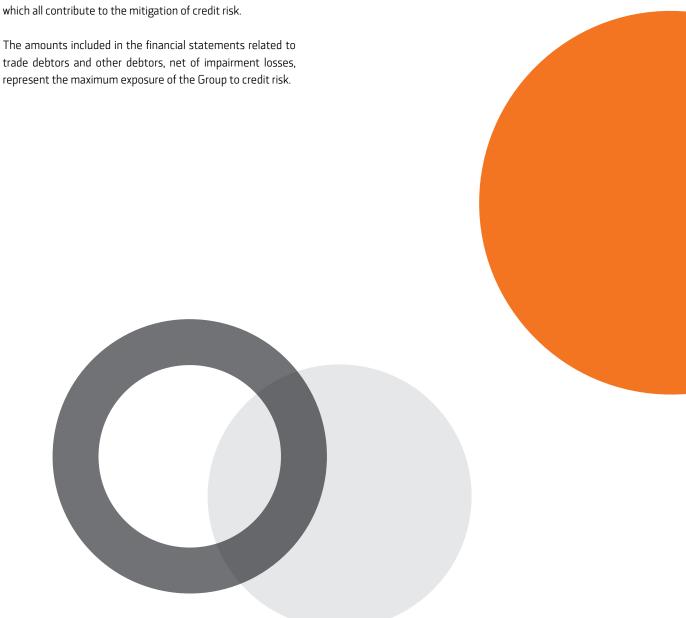
The maturity analysis for the loans obtained is presented in note 20.

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 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,



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 December 2013 and 2012, are as follows:

PERCENTAGE OF SHARE CAPITAL HELD

				2017		2017
Hand	Main activity.	Charabaldar	Disease		Disease	2012
office	main activity	Snarenoider	Direct	Епестіче	Direct	Ellective
Maia	Management of shareholdings.	-	-	-	-	-
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	-	-	100%	100%
Maia	Implementation, installation and exploitation of towers and other sites for the instalment of telecommunications equipment.	Optimus SGPS	-	-	100%	100%
Dublin	Rendering of consultancy services in the area of information systems.	We Do	100%	100%	100%	100%
Delaware	Rendering of consultancy services in the area of information systems.	We Do USA	-	-	100%	100%
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%
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%
Maia	Rendering of consultancy services in IT areas.	Sonae com SI	100%	100%	100%	100%
Maia	Organisation and management of electronic auctions of products and services on-line.	Sonaecom	100%	100%	100%	100%
Maia	Implementation, operation, exploitation and offer of networks and rendering services of electronic comunications and related resources; offer and commercialisation of products and equipments of electronic communications.	Optimus SGPS	-	-	100%	100%
Maia	Management of shareholdings in the area of telecommunications.	Sonaecom	-	-	100%	100%
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%
Maia	Purchase, sale, renting and operation of property and commercial establishments.	Optimus SGPS	-	-	100%	100%
Berkshire	Rendering of consultancy services in the area of information systems.	We Do UK	100%	100%	100%	100%
Oporto	Editing, composition and publication of periodical and non-periodical material.	Sonaecom	100%	100%	100%	100%
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%
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	Saphety	99.8%	86.821%	-	_
	Maia Maia Dublin Delaware Maia Maia Maia Maia Maia Maia Maia Dabin Maia Sao	Maia Management of shareholdings. Maia Design, construction, management and exploitation of electronic communications networks and their equipment and infrastructure, management of technologic assets and rendering of related services. Maia Implementation, installation and exploitation of towers and other sites for the instalment of telecommunications equipment. Dublin Rendering of consultancy services in the area of information systems. Delaware Rendering of consultancy services in the area of information systems. Maia Development of management platforms and commercialisation of products, services and information, with the internet as its main support. 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. Maia Rendering of consultancy services in IT areas. Maia Organisation and management of electronic auctions of products and services on-line. 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. Maia Management of shareholdings in the area of telecommunications. Maia Editing, composition and publication of periodical and non-periodical material and the exploration of radio and TV stations and studios. Maia Purchase, sale, renting and operation of property and commercial establishments. Berkshire Rendering of consultancy services in the area of information systems. Oporto Editing, composition and publication of periodical and non-periodical material and the exploration of radio and TV stations and studios. Rendering services, training, consultancy services in the area of communication, process and electronic certification of data; trade, development and representation of software. São Rendering services, training, consultancy services in the area of communication, pro	office John Maia Management of shareholdings. - 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 Maia Implementation, installation and exploitation of towers and other sites for the instalment of telecommunications equipment. Optimus SGPS Dublin Rendering of consultancy services in the area of information systems. We Do Delaware Rendering of consultancy services in the area of information systems. We Do USA Maia Development of management platforms and information systems. Sonae com SI Maia Development of management platforms and information, with the internet as its main support. Miauger 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. Sonae com SI Maia Drganisation and management of electronic auctions of products and services on-line. Sonae com SI Maia Drganisation and management of electronic auctions of products and endering services of electronic communications and related resources; offer and commercial services on-line. Optimus SGPS Maia	Maia Management of shareholdings	Maia Management of shareholdings	Head office Main activity Shareholder Direct Effective* Direct Office Maia Management of shareholdings. - - - - Maia Design, construction, management and explicitation of electronic communications networks and there equipment and infrastructure, management of technologic assets and rendering of related services. Optimus SGPS - - 100% Maia Implementation, installation and exploitation of towers and other sites for the instalment of telecommunications equipment. Optimus SGPS - - 100% Dublin Rendering of consultancy services in the area of information systems. We Do 100% 100% 100% Delaware dendering of consultancy services in the area of information systems. Sonae com SI 75.10% 75.1

PERCENTAGE OF SHARE CAPITAL HELD

ERLENTAGE UF SHARE CAPITAL HE	LD						
					2013		2012
Company (Commercial brand)	Head office	Main activity	Shareholder	Direct	Effective*	Direct	Effective*
Saphety – Transacciones Electronicas SAS ('Saphety Colômbia')(d)	Bogotá	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	100%	86.995%	-	-
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 Infor- mación Espanã, S.L. ('SSI Espanã')	Madrid	Rendering of consultancy services in the area of information systems.	Sonae com SI	100%	100%	100%	100%
Sonaecom BV	Amster- dam	Management of shareholdings.	Sonaecom	100%	100%	100%	100%
Sonaetelecom BV	Amster- dam	Management of shareholdings.	Sonaecom	100%	100%	100%	100%
Sontária - Empreendimentos Imobiliários, S.A. ('Sontária') (a)	Maia	Realisation of urbanisation and building con- struction, planning, urban management, studies, construction and property management, buy and sale of properties and resale of purchased for that purpose.	Optimus SGPS	-	-	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%
Wedo do Brasil Soluções Informáticas, Ltda. ('We Do Brasil')	Rio de Janeiro	Commercialisation of software and hardware; rendering of consultancy and technical assistance related to information technology and data processing.	We Do	99.91%	99.91%	99.91%	99.91%
We Do Poland Sp. Z.o.o. ('We Do Poland')	Poznan	Rendering of consultancy services in the area of information systems.	Cape Technologies	100%	100%	100%	100%
We Do Technologies Americas, Inc ('We Do USA')	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')	Amster- dam	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') (e)	Chile	Rendering of consultancy services in the area of information systems.	We Do BV	-	-	100%	100%
We Do Technologies Egypt LLC ('We Do Egypt')	Cairo	Rendering of consultancy services in the area of information systems.	We Do BV Sonaecom BV Sonaetelecom BV	90% 5% 5%	90% 5% 5%	90% 5% 5%	90% 5% 5%
We Do Technologies (UK) Limited ('We Do UK')	Berkshire	Management of shareholdings.	We Do	100%	100%	100%	100%
We Do Technologies Mexico, S de R.L. ('We Do Mexico')	Mexico City	Rendering of consultancy services in the area of information systems.	Sonaecom BV We Do BV	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')	Singa- pore	Rendering of consultancy services in the area of information systems.	We Do BV	100%	100%	100%	100%

^{*} Sonaecom effective participation

^{&#}x27;Sonaecom effective participation
(a) Companies included in Group Zopt consolidation perimeter, following the merger between Optimus SGPS and Zon (note 1.e)
(b) Company included in February 2013
(c) Company adquired in February 2013
(d) Company established in April 2013
(e) Company dissolved in May 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. Changes in the Group

During the years ended at 31 December 2013 and 2012, the following changes occurred in the composition of the Group:

a) Constitutions

SHAREHOLDER	SUBSIDIARY	DATE	SHARE CAPITAL	CURRENT % SHAREHOLDING
2013				
Saphety	Saphety Colômbia	Apr-13	50,000,000 COP*	100%
2012				
Sonaecom	Zopt	Dec-12	50,000 EUR	50%
Sonaecom	Sonaecom SP	Jan-12	50,000 EUR	100%

^{*} Corresponds to circa Euro 19.000.

b) Acquisitions

PURCHASER	SUBSIDIARY	DATE	% ACQUIRED	CURRENT % SHAREHOLDING
2013				
Saphety	Saphety Brasil	Feb-13	99.8%	99.8%
2012				
We Do USA	Connectiv	Apr-12*	100%	100%
Sonae com SI	Infosystems	Jun-12	50%	50%
Infosystems	SSI Angola	Jun-12	100%	100%

 $^{^{\}star}$ The contract's signature date was April 2012, with effects from 1 May 2012.

At 30 April 2012, the group acquired the entire share capital of Connectiv Solutions. Following that, the company started from 1 May 2012 to consolidate the financial statements using the full consolidation method (note 7). At 1 January 2013, Connectiv was incorporated, by merger, in WeDo USA.

c) Dissolutions

SHAREHOLDER	SUBSIDIARY	DATE	% SHAREHOLDING
2013			
We Do BV	We Do Chile	May-13	100%

d) Sales

SHAREHOLDER	SUBSIDIARY	DATE	% SHAREHOLDING
2013			
Sonae com SI	Infosystems	Nov-13	50%

e) Others

Following the announcement made, on 14 December 2012, 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, SGPS, S.A. (vehicle used for this purpose), conditional upon completion of the merger.

Thus, following the above mentioned agreement, on 27 August 2013, and after fulfilling all the remedies required to the operation, the merger was closed. Sonaecom considers this to be the date on which Zopt took control of Zon Optimus, having 50,01% of its share capital. Accordingly, in the same day, it was registered the capital increase in kind with the transference of 81.807% Sonaecom's financial participation in Optimus SGPS, S.A. to ZOPT, SGPS, S.A ('Zopt'). As a consequence, Sonaecom held a 50% stake in Zopt, as well as shareholder loans to be received from Zopt amounting to Euro 230 million (note 8), which would later be converted on supplementary capital and reduced to Euro 115 million. Additionally, the remaining stake of 18.193% in Optimus SGPS, was converted into a minority stake of 7.28% in Zon Optimus (note 9).

Resulting from a 'Shareholders Agreement' between the parties involved in the merger, Sonacom and Kento/Jadeium Group agreed not to acquire any shares of Zon Optimus, with the exception of the shares acquired by Sonaecom as a result of the operation.

For this reason, the 'Shareholders Agreement' also foresees that after 2 years from the date of the formal closing of the merger, and for a period of three months, the Group Kento / Jadeium may exercise a call option over half of the shares of Zon Optimus that Sonaecom holds at the date of the exercise of call option, at a price equal to the weighted average price of the previous month.

After the share capital increase of Zopt and the closing of the merger between Optimus SGPS and Zon, Sonaecom derecognised in consolidated accounts, the assets and liabilities fully consolidated of Optimus SGPS and its subsidiaries amounting to Euro 992 million. Sonaecom has also recognized an investment in Zopt amounting to Euro 598 million¹, loans to be received from Zopt amounting Euro 230 million (note 8) and an investment registered at fair value through Zon Optimus shares (the conversion of 20,921,650 Optimus SGPS shares, representing 18.193% of the share capital, to 37,489,324 Zon Optimus shares, representing 7.28% of the share capital), at the market price of 27 August 2013 (date of the closing of the merger), amounting to Euro 156 million (note 9).

Following the merger, was performed on Zopt a preliminary assessment of the fair value of assets acquired and assumed liabilities through this operation. 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 the allocation made. The detail of Zon Group's net assets and Goodwill identified under this transaction are as follows:

(Amounts expressed in Euro)	VALUES BEFORE ACQUISITION	ADJUSTMENTS TO FAIR VALUE	FAIR VALUE
Acquired assets			
Tangible assets	598,675	57,301	655,976
Intangible assets	137,644	170,575	308,219
Investments in group companies	33,646	284,807	318,453
Deferred tax assets	55,972	10,381	66,353
Inventories	18,034	-	18,034
Accounts receivable and other assets	169,888	1,861	171,749
Cash and cash equivalents	157,914	-	157,914
	843,971	523,064	1,367,035
Acquired liabilities			
Borrowings	817,435	7,634	825,069
Provisions	25,948	7,798	33,746
Deferred tax liabilities	7,450	68,591	76,041
Share plan	3,694	-	3,694
Accounts payable and other liabilities	296,169	2,062	298,231
Minorities	9,662	-	9,662
	1,160,358	86,085	1,246,443
Net assets and liabilities	11,415	438,840	450,255
Goodwill (note 8)		·	1,049,745
Acquisition price			1,500,000

¹ The Zopt participation of 598 million euros (598 = ((2.850 X 50,01%)-230)X 50%) results from the valuation of Zon Optimus, amounting to 2,850 million euros. This corresponds to the sum of the valuation of the capital increase in Zopt made by Zon and Optimus in 1,500 million euros and 1,000 million euros, respectivetly (the valuation was made by entities involved in the capital increase and the merger project) and the minimum synergies estimated, disclosed in the merger project in the amount of 350 million euros, deducted from loans totaling 230 million euros (level 3 of inputs in the hierarchy of fair value). It was decided that Zon market price at the date of the closing of the merger didn't reflected the fair value of Zon Optimus (the argument for not using the Zon share price at the date of the close of the merger, as abovementioned, is proven by the positive evolution of Zon Optimus share price since the date of the merger until 31 December 2013 (2,782 million euros versus 2,141, price at 27 August 2013, merger date)). For this reason, the market capitalization of Zon was not considered as a reference for valuing the Zopt $investment. The \ valuation \ of \ Zon \ and \ Optimus \ was \ based \ on \ internally \ and \ analysts' \ projections, \ regarding \ the \ main \ economic \ indicators, \ including \ operating \ results$ and investment. For this purpose, was used a weighted average cost of capital of 9.5% and growth rate of 3%.

The fair value of net assets acquired was determined through various valuation methodologies for each type of asset or liability based on the best information available. The main fair value adjustments made in this process were: (i) valuation of Cines TV and TV Series channels (EUR +99.3 million), which will be amortised straight-line over a period of 10 years, (ii) portfolio customers (EUR +71.3 million), which will be amortised straight-line over the estimated average period of customer retention, (iii) financial investments (EUR +304 million) including EUR +267 million in estimated future economic benefits ('goodwill') of subsidiaries, valuations of channels in the amount of EUR +29 million, valuation of client portfolios in the amount of EUR +17 million, among others, and their respective associated deferred taxes, (iv) increase of EUR +57.3 million in the book value of basic equipment, (v) changes in the fair value of borrowings in the amount of EUR -7.6 million, and (vi) Contingent liabilities relating to present obligations amounting to EUR -16,7 million.

The detail of Optimus Group's net assets and Goodwill identified under this transaction are as follows:

(Amounts expressed in euro)	VALUES BEFORE ACQUISITION	ADJUSTMENTS TO FAIR VALUE	FAIR VALUE
Acquired assets			
Tangible assets	569,441	(62,616)	506,825
Intangible assets	353,331	45,480	398,811
Deferred tax assets	100,976	27,626	128,602
Inventories	19,125	(1,384)	17,741
Accounts receivable and other assets	224,165	-	224,165
Cash and cash equivalents	17,987	-	17,987
	1,285,025	9,106	1,294,131
Acquired liabilities			
Borrowings	452,362	-	452,362
Provisions	35,224	30,091	65,315
Deferred tax liabilities	1,142	10,997	12,139
Share plan	6,469	3,144	9,613
Accounts payable and other liabilities	287,368	15,326	302,694
	782,565	59,558	842,123
Net assets and liabilities	502,460	(50,452)	452,008
Goodwill (note 8)			547,992
Acquisition price			1,000,000

The fair value of net assets acquired was determined through several valuation methodologies for each type of asset or liability, based on the best information available. The main fair value adjustments made in this process were: (i) customer portfolio (+23.4 million euros), which will be amortised linearly based on the estimated average time of customer retention; (ii) telecom licenses (+12.7 million euros), which will be amortised over their the estimated useful life; (iii) infrastructure reconstruction and replacement equipment costs and other adjustments on basic equipment in the amount of -22.7 million euros; (iv) adjustment of -27.7 million euros to carrying amount of the assets falling within by the commitments made to the Competition Authority, under the merger operation, in particular, the agreement on an option to acquire the fiber network of Optimus; (v) contingent liabilities related to present obligations in the amount of -30.0 million euros, as permitted by IFRS 3, and (vi) contractual obligations in the amount of -15.3 million euros related to long-term contracts whose prices are different from market prices.

The methodologies used in the main fair value adjustments were Discounted cash flows (Level 3) with the exception to Rooftops and Towers that was used the Rebuilding costs (Level 2), to Basic Equipment that was used the Replacement costs (Level 2) and to Contractual obligations that was used the Comparision with today fees charged (Level 2).

In identifying the fair value of acquired assets and liabilities the Group's management make estimates, assumptions and judgments such as: (i) the average period of retention of Optimus' customers used in the valuation of the customer portfolio; (ii) the average time of use of existing 2G/3G and LTE technologies and revenue growth as a result of the emergence of other new technologies, used in the valuation of the telecom licenses, among others. Although these estimates were based on the best information available at the date of preparation of the consolidated financial statements, current and future results may differ from these estimates.

Several scenarios have been considered in the valuations. The sensitivity analyzes performed have not led to significant changes in the allocation of the fair value of assets and liabilities. For the remaining assets and liabilities were not identified significant differences between the fair value and their book value.

As usual on mergers and acquisitions, also in this operation, there was a part of the acquisition price which was not possible to allocate to the fair value of some identified assets and liabilities, that was considered as Goodwill and recorded in "Intangible Assets". 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 and technical skills.

Thus, as a result of the derecognition of the investment in Optimus SGPS and its subsidiaries, the recognition of the investments in Zopt and Zon Optimus, and the loans to be received from Zopt, it was registered a capital loss of 9 million euros, as follows:

(Amounts expressed in Euro)	
Assets and liabilities derecognized	(992,397,240)
Compensation received	983,447,575
Gain/(Loss) resulting from the disposal (note 37)	(8,949,665)

The compensation received can be detailed as follows:

(Amounts expressed in Euro)	
Participation in Zopt (note 8)	597,641,944
Loans Zopt (note 8)	230,000,000
Zon Optimus shares (note 9)	155,805,631
	983,447,575



The impacts in balance sheet of the output of the telecommunications sector companies in August 2013 resulted of this operation, are detaled as follows:

(Amounts expressed in euro)	NOTES	27 AUGUST 2013
Assets		
Non-current assets		
Tangible assets	5	(562,475,126)
Intangible assets	6	(353,993,403)
Goodwill	7	(485,150,340)
Other non-current assets		312,080,798
Deferred tax assets	11	(98,625,767)
Total non-current assets		(1,188,163,838)
Current assets		
Inventories	12	(19,124,520)
Trade debtors		(127,955,743)
Other current assets		(82,942,364)
Cash and cash equivalents		(17,986,673)
Total current assets		(248,009,300)
Shareholders' funds and liabilities		
Medium term incentive plans reserves		6,468,582
Others		5,464
Total Shareholders' funds		6,474,046
Liabilities		
Non-current liabilities		
Medium and long-term loans – net of short-term portion		(813,080)
Other non-current financial liabilities		17,879,658
Provisions for other liabilities and charges	22	35,247,971
Deferred tax liabilities		259,753
Other non-current liabilities		31,672,299
Total non-current liabilities		84,246,601
Current liabilities		
Short-term loans and other loans		115,535,594
Trade creditors		119,124,642
Other current financial liabilities		2,660,326
Other creditors		15,254,142
Other current liabilities		100,480,547
Total current liabilities		353,055,25
Total assets and liabilities derecognized		(992,397,240)



4. Breakdown of financial instruments

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

							2013
	Loans and receivables	Investments available for sale	Financial assets at fair value through profit or loss	Other financial assets	Subtotal	Others not covered by IFRS 7	Total
Non-current assets							
Investments available for sale (note 10)	-	115,448	-	-	115,448	-	115,448
Other non-current assets	922,434	-	-	-	922,434	-	922,434
	922,434	115,448	-	-	1,037,882	-	1,037,882
Current assets							
Financial assets at fair value through profit or loss (note 9)	-	-	202,442,350	-	202,442,350	-	202,442,350
Trade debtors (note13)	36,416,353	-	-	-	36,416,353	-	36,416,353
Other current debtors (note 14)	17,177,732	-	-	-	17,177,732	5,863,034	23,040,766
Other current assets (note 15)	-	-	-	7,043,665	7,043,665	2,254,741	9,298,406
Cash and cash equivalents (note 16)	188,014,923	-	-	-	188,014,923	-	188,014,923
	241,609,008	-	202,442,350	7,043,665	451,095,023	8,117,775	459,212,798

							2012 (restated)
	Loans and receivables	Investments available for sale	Financial assets at fair value through profit or loss	Other financial assets	Subtotal	Others not covered by IFRS 7	Total
Non-current assets							
Investments available for sale (note 10)	-	212,323	-	-	212,323	-	212,323
Other non-current assets	2,422,660	-	-	-	2,422,660	-	2,422,660
	2,422,660	212,323	-	-	2,634,983	-	2,634,983
Current assets							
Trade debtors (note13)	144,901,658	-	-	-	144,901,658	-	144,901,658
Other current debtors (note 14)	15,710,457	-	-	-	15,710,457	5,999,639	21,710,096
Other current assets (note 15)	-	-	-	56,563,995	56,563,995	16,959,805	73,523,800
Cash and cash equivalents (note 16)	61,741,010	-	-	-	61,741,010	-	61,741,010
	222,353,125	-	-	56,563,995	278,917,120	22,959,444	301,876,564

					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 20) $$	24,810,079	-	24,810,079	-	24,810,079
Other non-current financial liabilities (note 21)	-	67,937	67,937	-	67,937
Other non-current liabilities (note 23)	-	969,434	969,434	307,870	1,277,304
	24,810,079	1,037,371	25,847,450	307,870	26,155,320
Current liabilities					
Short-term loans and other loans (note 20)	998,996	-	998,996	-	998,996
Trade creditors (note 24)	-	21,768,279	21,768,279	-	21,768,279
Other current financial liabilities (note 25)	-	70,728	70,728	-	70,728
Other creditors (note 26)	-	6,153,540	6,153,540	4,285,787	10,439,327
Other current liabilities (note 27)	-	19,223,723	19,223,723	8,483,737	27,707,460
	998,996	47,216,270	48,215,266	12,769,524	60,984,790

					2012 (restated)
	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 20)	196,238,739	-	196,238,739	-	196,238,739
Other non-current financial liabilities (note 21)	-	17,308,879	17,308,879	-	17,308,879
Other non-current liabilities (note 23)	-	37,469,733	37,469,733	262,047	37,731,780
	196,238,739	54,778,612	251,017,351	262,047	251,279,398
Current liabilities					
Short-term loans and other loans (note 20)	187,170,148	-	187,170,148	-	187,170,148
Trade creditors (note 24)	-	168,755,674	168,755,674	-	168,755,674
Other current financial liabilities (note 25)	-	3,594,987	3,594,987	-	3,594,987
Other creditors (note 26)	-	22,094,727	22,094,727	10,550,192	32,644,919
Other current liabilities (note 27)	-	99,489,318	99,489,318	27,931,695	127,421,013
	187,170,148	293,934,706	481,104,854	38,481,887	519,586,741

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 noncurrent 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.

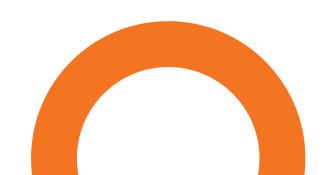


5. Tangible assets

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

							2013
	Land, Buildings and other constructions	Plant and machinery	Vehicles	Fixtures and fittings	Other tangible assets	Work in progress	Total
Gross assets							
Balance at 31 December 2012 (restated - note 1)	301,133,284	1,072,287,146	171,736	213,226,929	6,715,058	20,665,640	1,614,199,793
Additions	18,694	3,081,762	34,691	11,151,440	1,187	27,990,128	42,277,902
Disposals	(547,779)	(2,821,787)	(15,282)	(382,671)	(793)	(125,388)	(3,893,700)
Transfers and write-offs	5,239,931	32,156,750	(69,323)	(809,232)	99,472	(36,488,232)	129,366
Discontinued operations (note 3.e)	(298,400,130) ((1,093,255,014)	(85,728)	(216,172,869)	(6,563,851)	(10,739,576)	(1,625,217,168)
Balance at 31 December 2013	7,444,000	11,448,857	36,094	7,013,597	251,073	1,302,572	27,496,193
Accumulated depreciation and impairment le	osses						
Balance at 31 December 2012 (restated - note 1)	168,923,346	666,298,617	151,192	191,742,065	6,127,629	-	1,033,242,849
Depreciation for the year	5,554,901	37,667,093	18,195	12,477,309	178,349	-	55,895,847
Disposals	(288,854)	(2,091,168)	(6,232)	(276,941)	(793)	-	(2,663,988)
Transfers and write-offs	(36,230)	(1,399,715)	(67,149)	(275,117)	11,640	-	(1,766,571)
Discontinued operations (note 3.e)	(169,538,697)	(689,432,249)	(83,381)	(197,605,951)	(6,081,764)	-	(1,062,742,042)
Balance at 31 December 2013	4,614,466	11,042,578	12,625	6,061,365	235,061	-	21,966,095
Net value	2,829,534	406,279	23,469	952,232	16,012	1,302,572	5,530,098

						2012 (restated)
Land, Buildings and other constructions	Plant and machinery	Vehicles	Fixtures and fittings	Other tangible assets	Work in progress	Total
301,781,480	1,031,000,168	166,398	201,288,050	6,675,820	36,269,347	1,577,181,263
-	103,084	-	1,004,738	-	-	1,107,822
653,822	5,406,695	5,338	15,070,820	10,229	90,702,314	111,849,218
(1,014,141)	(46,440,567)	-	(1,678,053)	(24,839)	(470,333)	(49,627,933)
(287,877)	82,217,766	-	(2,458,626)	53,848	(105,835,688)	(26,310,577)
301,133,284	1,072,287,146	171,736	213,226,929	6,715,058	20,665,640	1,614,199,793
S						
161,013,681	649,522,298	120,601	179,561,095	5,739,621	-	995,957,296
-	90,165	-	441,202	-	-	531,367
8,753,685	51,994,893	30,591	18,340,035	395,191	-	79,514,395
(568,166)	(34,836,491)	-	(962,893)	(7,183)	-	(36,374,733)
(275,854)	(472,248)	-	(5,637,374)	-	-	(6,385,476)
168,923,346	666,298,617	151,192	191,742,065	6,127,629	-	1,033,242,849
132,209,938	405,988,529	20,544	21,484,864	587,429	20,665,640	580,956,944
	and other constructions 301,781,480 - 653,822 (1,014,141) (287,877) 301,133,284 5 161,013,681 - 8,753,685 (568,166) (275,854) 168,923,346	and other constructions 301,781,480 1,031,000,168 - 103,084 653,822 5,406,695 (1,014,141) (46,440,567) (287,877) 82,217,766 301,133,284 1,072,287,146 5 161,013,681 649,522,298 - 90,165 8,753,685 51,994,893 (568,166) (34,836,491) (275,854) (472,248) 168,923,346 666,298,617	and other constructions 301,781,480 1,031,000,168 166,398 - 103,084 - 653,822 5,406,695 5,338 (1,014,141) (46,440,567) - (287,877) 82,217,766 - 301,133,284 1,072,287,146 171,736 161,013,681 649,522,298 120,601 - 90,165 - 8,753,685 51,994,893 30,591 (568,166) (34,836,491) - (275,854) (472,248) - 168,923,346 666,298,617 151,192	and other constructions machinery fittings 301,781,480 1,031,000,168 166,398 201,288,050 - 103,084 - 1,004,738 653,822 5,406,695 5,338 15,070,820 (1,014,141) (46,440,567) - (1,678,053) (287,877) 82,217,766 - (2,458,626) 301,133,284 1,072,287,146 171,736 213,226,929 5 161,013,681 649,522,298 120,601 179,561,095 - 90,165 - 441,202 8,753,685 51,994,893 30,591 18,340,035 (568,166) (34,836,491) - (962,893) (275,854) (472,248) - (5,637,374) 168,923,346 666,298,617 151,192 191,742,065	and other constructions machinery fittings assets 301,781,480 1,031,000,168 166,398 201,288,050 6,675,820 - 103,084 - 1,004,738 653,822 5,406,695 5,338 15,070,820 10,229 (1,014,141) (46,440,567) - (1,678,053) (24,839) (287,877) 82,217,766 - (2,458,626) 53,848 301,133,284 1,072,287,146 171,736 213,226,929 6,715,058 161,013,681 649,522,298 120,601 179,561,095 5,739,621 - 90,165 - 441,202 8,753,685 51,994,893 30,591 18,340,035 395,191 (568,166) (34,836,491) - (962,893) (7,183) (275,854) (472,248) - (5,637,374) 168,923,346 666,298,617 151,192 191,742,065 6,127,629	and other constructions machinery fittings assets in progress 301,781,480 1,031,000,168 166,398 201,288,050 6,675,820 36,269,347 - 103,084 - 1,004,738 - - - 653,822 5,406,695 5,338 15,070,820 10,229 90,702,314 (1,014,141) (46,440,567) - (1,678,053) (24,839) (470,333) (287,877) 82,217,766 - (2,458,626) 53,848 (105,835,688) 301,133,284 1,072,287,146 171,736 213,226,929 6,715,058 20,665,640 5 161,013,681 649,522,298 120,601 179,561,095 5,739,621 - - 90,165 - 441,202 - - 8,753,685 51,994,893 30,591 18,340,035 395,191 - (568,166) (34,836,491) - (962,893) (7,183) - (275,854) (472,248) - (5,637,374) -



The additions that occurred during the years ended at 31 December 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). At 31 December 2013, following the merger between Optimus SGPS and Zon and the consequent derecognition of the assets of the telecommunications segment (note 3.e), the assets above mentioned were no longer part of the final balance (note 3.e).

Additions, disposals and transfers are, mainly, related to the area of telecommunications during the first eight months of the year.

At 31 December 2013, the depreciations of the year of Euro 55,895,847 include an amount of 54,548,733 euros related to the depretiations of assets of discontinued operations (notes 3.e and 37) and an amount of Euro 1,347,114 related to continued operations, so that the reconciliation to 'Proft and loss statement' is as follows:

	CONTINUED OPERATIONS	DISCONTINUED OPERATIONS (Note 37)	TOTAL
Tangible assets	1,347,114	54,548,733	55,895,847
Intangible assets (note 6)	4,324,678	38,799,082	43,123,760
Goodwill (note 7)	970,000	-	970,000
	6,641,792	93,347,815	99,989,607

At 31 December 2013, additions include about Euro 5.4 million of capitalizations of personnel costs related to own work (about Euro 8.3 million at 31 December 2012), mainly related to network development projects.

At 31 December 2012, disposals include the sale of a set of assets related with 2G, 3G and Micro-Wave network.

The acquisition cost of 'Tangible assets' and 'Intangible assets' held by the Group under finance lease contracts, amounted to Euro 920,831 and Euro 36,494,166 as of 31 December 2013 and 2012, and their net book value as of those dates amounted to Euro 100,728 and Euro 19,580,292, respectively. During the year ended at 31 December 2013, the finance lease contracts of Optimus-Comunicações SA and Be Artis, were derecognised (note 3.e).

At 31 December 2012, the heading 'Tangible assets' included an amount of Euro 25.1 million, related 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. During the year ended at 31 December 2013, the entire amount was derecognised (note 3.e).

At 31 December 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 December 2013 and 2012 were made up as follows:

	2013	2012
Development of mobile/fixed network	-	15,652,408
Information systems / IT equipment	455,656	1,514,961
Other projects in progress	846,916	3,498,271
	1,302,572	20,665,640

The variation in 'Tangible assets in progress' is due to the derecognition of the telecommunications' assets (note 3.e).



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

	2013	2012
Network	-	9,344,084
Information systems	-	997,717
	-	10,341,801

During the year ended at 31 December 2013, there are no commitments to third parties relating to investments to be made, because, all of them were related to telecommunications companies (note 3.e).

6. Intangible assets

In the years ended at 31 December 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 (restated - note 1)	471,734,531	324,743,860	22,694,448	819,172,839
Additions	15,347,168	945,238	15,429,479	31,721,885
Disposals	(1,000,000)	(2,868)	-	(1,002,868)
Transfers and write-offs	3,292,284	9,762,754	(12,218,518)	836,520
Discontinued operations (note 3.e)	(479,025,843)	(304,909,635)	(21,344,001)	(805,279,479)
Balance at 31 December 2013	10,348,140	30,539,349	4,561,408	45,448,897
Accumulated amortisation and impairment losses				
Balance at 31 December 2012 (restated - note 1)	184,502,817	255,141,914	-	439,644,731
Amortisation for the year	29,196,162	13,927,598	-	43,123,760
Disposals	(1,000,000)	(641)	-	(1,000,641)
Transfers and write-offs	(67,651)	(1,612,486)	-	(1,680,137)
Discontinued operations (note 3.e)	(205,489,969)	(245,796,107)	-	(451,286,076)
Balance at 31 December 2013	7,141,359	21,660,278	-	28,801,637
Net value	3,206,781	8,879,071	4,561,408	16,647,260

				2012 (restated)
	Brands and patents and other rights	Software	Intangible assets in progress	Total
Gross assets				
Balance at 31 December 2011 (restated - note 1)	361,656,297	296,352,012	117,812,301	775,820,610
New companies (note 3.b)	1,608,263	1,686,153	-	3,294,416
Additions	23,909,212	1,562,514	18,706,336	44,178,062
Disposals	-	(75,744)	-	(75,744)
Transfers and write-offs	84,560,759	25,218,925	(113,824,189)	(4,044,505)
Balance at 31 December 2012	471,734,531	324,743,860	22,694,448	819,172,839
Accumulated amortisation and impairment losses				
Balance at 31 December 2011 (restated - note 1)	153,158,980	233,542,417	-	386,701,397
New companies (note 3.b)	-	55,004	-	55,004
Amortisation for the year	43,551,013	21,877,502	-	65,428,515
Disposals	-	(27,511)	-	(27,511)
Transfers and write-offs	(12,207,176)	(305,498)	-	(12,512,674)
Balance at 31 December 2012	184,502,817	255,141,914	-	439,644,731
Net value	287,231,714	69,601,946	22,694,448	379,528,108

Under the agreed terms resulting from the grant of the UMTS License, Optimus – Comunicações, S.A., committed, in previous years, 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. 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 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 was recognised as an additional cost of UMTS license, against an entry in the captions 'Other non-current liabilities' and 'Other current liabilities'. In the year ended at 31 December 2013, all the responsibilities with such commitments were derecognized from the consolidated financial statements, following the merger between Optimus SGPS and Zon and, subsequently, the derecognition of the assets and liabilities of the telecommunications segment (note 3.e).

Intangible assets in the year ended at 31 December 2012, include an amount of approximately Euro 110 million, corresponding to the current value of future payments related with the acquisition of rights of use for frequency (spectrum) bands of 800 MHz, 1800 MHz and 2600 MHz, which will be used to develop 4th generation services (LTE - Long Term Evolution). The payable amount totals Euro 113 million. In January 2012, an amount of Euro 83 million and in January 2013, an amount of Euro 6 million 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 still 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 amortisation was started, for an estimated period until 2041. In the year ended at 31 December 2013, this asset was derecognized, following the merger between Optimus SGPS and Zon and, subsequently, the derecognition of the assets and liabilities of the telecommunications segment (note 3.e)..

Additions, disposals and transfers are, mainly, related to the area of telecommunications during the first eight months of the year.

At 31 December 2013, the amortisation of the year of Euro 43,123,760 include an amount of Euro 38,799,082 related to the amortisation of assets of discontinued operations (notes 3.e and 37) and an amount of Euro 4,324,678 related to continued operations.

At 31 December 2012, the Group kept recorded under the heading 'Intangible assets – brands and contents' the amounts of Euro 170,425,449, that correspond to the investments net of depreciations made in the development of the UMTS network, including: (i) Euro 54,005,186 related to the license; (ii) Euro 18,045,113 related to the agreement signed in 2002 between Oni Way and the other three mobile telecommunication operators with activity in Portugal; (iii) Euro 5,542,199 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 88,218,718 related with the programme 'Initiatives E', these last two associated to the commitments assumed by the Group in relation to the 'Information Society'. In the year ended at 31 December 2013, these assets were derecognized, following the merger between Optimus SGPS and Zon and, subsequently, the derecognition of the assets and liabilities of the telecommunications segment (note 3.e).

The caption 'Brands and patents and other rights' includes also, in the year ended at 31 December 2012, an amount of about Euro 13.1 million net of amortisation that corresponds to the costs incurred for customers' loyalty contracts. In the year ended at 31 December 2013, this asset was derecognized, following the merger between Optimus SGPS and Zon and, subsequently, the derecognition of the assets and liabilities of the telecommunications segment (note 3.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 December 2012, the total net amount of financial expenses capitalization amounted to Euro 9,605,147. The amounts capitalised in the years ended at 31 December 2013 and 2012 were Euro 462,097 and Euro 1,589,280, respectively. An interest capitalisation rate of 4.5%, which corresponds to the average interest rate supported by the Group. In the year ended at 31 December 2013, these assets were derecognized, following the merger between Optimus SGPS and Zon and, subsequently, the derecognition of the assets and liabilities of the telecommunications segment (note 3.e).

At 31 December 2013, additions include about Euro 7.7 million of capitalizations of personnel costs related to own work (about Euro 8.4 million at 31 December 2012), mainly related to IT software and RAID and NetClarus products development projects. The assessment of impairment for the main tangible and intangible assets, in the various segments, is carried out as described in note 7 ('Goodwill'), to the extent that such assets are closely related to the overall activity of the segment and consequently cannot be analysed separately.

7. Goodwill

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

	2013	2012 (restated - note 1)
Opening balance	517,985,506	520,782,025
Acquisition of Connectiv and goodwill adjustment (note 1.f)	(3,066,150)	5,167,775
Discontinued operations (note 3.e)	(485,150,340)	-
Other movements of the year	(364,600)	35,706
Impairment	(970,000)	(8,000,000)
Closing balance	28,434,416	517,985,506

For the year ended at 31 December 2013 and 2012, the caption 'Other movements of the year' includes, mainly, the effects of the exchange rate update of the Goodwill.

In the year ended at 31 December 2013, the amounts under the caption 'Discontinued operations (note 3.e)' are related to the merger between Optimus SGPS and Zon and, subsequently, the derecognition of the assets and liabilities of the telecommunications segment (note 3.e).

Thus, Goodwill at 31 December 2013 was made up as follows:

		INFORMATION SYSTEMS	MULTIMEDIA
2013			
Goodwill		22,404,416	6,030,000
	INFORMATION SYSTEMS	MULTIMEDIA	TELECOMMUNICATIONS
2012 (restated)			
Goodwill	25,835,165	7,000,000	485,150,341

At 30 April 2012, the group acquired the entire share capital of Connectiv Solutions. Following that, the company started from 1 May 2012 to consolidate the financial statements using the full consolidation method (note 3.b).



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

The acquisition price was allocated as following:

(Amounts expressed in Euro)	VALUES BEFORE ACQUISITION	ADJUSTMENTS TO FAIR VALUE	FAIR VALUE
Acquired assets			
Tangible assets	576,455	-	576,455
Intangible assets	49,303	3,190,109	3,239,412
Other current debtors	1,155,221	-	1,155,221
Other assets	116,744	-	116,744
Cash and cash equivalents	315,304	-	315,304
	2,213,027	3,190,109	5,403,136
Acquired liabilities			
Other creditors	184,608	-	184,608
Other liabilities	1,144,459	-	1,144,459
	1,329,067	-	1,329,067
Net assets and liabilities	883,960	3,190,109	4,074,069
Acquisition price			9,241,844
Goodwill initialy estimated			5,167,775
Adjustments to initial price			412,703
Know-how allocation			(3,478,853)
Final Goodwill			2,101,625

Following the acquisition of Connectiv Solutions, the company has made a preliminary assessment of the fair value of acquired assets and assumed liabilities, of which result the recognision of software and clients portfolio in the amount of Euro 3,190,109.

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

The acquisition price includes a deferred amount of USD 2 million (1 million paid in 2013 and 1 million to be paid in 2014) and a contingent amount to be paid annually, during 4 years, depending on the performance of the company in terms of revenue, which was estimated in about USD 2 million (USD 658 thousand have already been paid in the year ended at 31 December 2013). For the year ended at 31 December 2013, the contingent amount payable was adjusted by USD 547,579 (Euro 412,703) and an amount of USD 4,547,579 (Euro 3,478,653), which is being amortized over a period of 28 months was allocated to know-how, which generated an adjustment to initial Goodwill, in accordance with IFRS 3 Business Combinations, as this adjustment occur in the period permited by IFRS 3 to goodwill allocation.

At 1 January 2013, Connectiv was incorporated, by merger, in WeDo Americas (note 2).

The contribution of Connectiv to the consolidated net income attributed to Sonaecom's Shareholders, in the year ended at 31 December 2012, was positive of Euro 1,649 thousand.



The detail of the referred contribution is as follows:

(Amounts expressed in Euro)	Contribution at 31 December 2012
Total Revenues	4,698,827
Costs and losses	
External supplies and services	(681,089)
Staff expenses	(1,781,922)
Depreciations and amortisations	(574,471)
Earnings before interest and taxes	1,661,345
Financial Results	(17,961)
Income Tax	5,809
Net income attributed to shareholders of parent company	1,649,193

If Connectiv had been consolidated since 1 January 2012, the values of consolidated operating revenues and net income, before non-controlling interests, for the year ended at 31 December 2012, would be as follows:

(Amounts expressed in Euro)	31 December 2012 ('Pro-forma') restated
Consolidated operating revenues	109,325,832
Net income before non-controlling interests	75,662,935

The contribution of Connectiv to the consolidated balance sheet of Sonaecom at 31 December 2012, excluding the goodwill generated as a result of the acquisition of Connectiv, is as follows:

(Amounts expressed in Euro)	Contribution at 31 December 2012
Assets	
Tangible Assets	442,122
Intangible Assets	3,406,144
Trade debtors	909,800
Cash and cash equivalents	1,303,877
Other assets	549,298
Total assets	6,611,241
Liabilities	
Non-current Liabilities	47,116
Current liabilities	871,038
Total liabilities	918,154
Net assets	5,693,087

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 made on an annual basis unless there is evidence of impairment and prepared according to cash flow projections for periods of five years. 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 3% in the area of information systems and 0% in Multimedia area. 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. Regarding the area of telecommunications (Zopt), the assessment of whether or not the impairment is determined taking into account with several information as business plans approved by the Board of Directors and the average ratings of external reviewers (researches).



	Information Systems	Multimedia	Telecommunications
Assumptions			
Basis of recoverable amount	Value in use	Value in use	Value in use
Discount rate	13.0%	12.0%	9.0%
Growth rate in perpetuity	3.0%	0.0%	2.0%

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, leding the record of a loss in the amount of Euro 970 thousand and Euro 8 million in the year ended at 31 December 2013 and 2012, respectivetly, under the caption 'Depreciation and amortisation' of the Income Statement, in accordance with the policy described in note 1.w. The deviation between both years is related with the restructuring process that the Multimedia group is experiencing.

The evidence of impairment analysis, the revision of the projections and impairment tests did not lead to clearance of losses, in the years ended at 31 December 2013 and 2012. In the Information Systems and Multimedia segment, the sensitivity analysis performed, as required by IAS 36 - Impairment of Assets, did not lead to material changes in the recoverable amounts and therefore did not result in additional losses.

8. Investments in associated companies and companies jointly controlled

The associated companies and the companies jointly controlled, their head offices, percentage of ownership and value in profit and loss statement on 31 December 2013 and 2012, are as follows:

			PERCENTAGE OF OWNERSHIP		VALUE IN PROFIT A	AND LOSS STATEMENT			
		31 Decer	mber 2013	31 December 2012		ber 2013 31 December 2012		31 December	31 December 2012
	Head Office	Direct	Total	Direct	Total	2013	(restated - note 1)		
ZOPT (a)(b)	Porto	50%	50%	50%	50%	(523,500)	-		
Unipress – Centro Gráfico, Lda. ('Unipress')	Vila Nova de Gaia	50%	50%	50%	50%	44,967	85,074		
Sociedade Independente de Radiodifusão Sonora, S.A. ('S.I.R.S.' – usando a marca 'Rádio Nova')	Porto	45%	45%	45%	45%	(44,245)	(48,044)		
Infosystems (b)	Luanda		Sold	50%	50%	32,413	(4,172)		
Total (Nota 32)						(490,365)	32,858		

⁽a) Company established in December 2012.

The associated companies and companies jointly controlled have been consolidated by the equity method.

At 31 December 2013 the group only held jointly controlled companies.



⁽b) Includes the results of the subsidiaries, proportionally to capital held.

During the years ended at 31 December 2013 and 2012, the movement occurred in investments in associated companies and companies jointly controlled, were as follows:

			/	>		
	31 December 2013			31 De	ecember 2012 (res	stated - note 1)
	Ownership value	Goodwill	Total investment	Ownership value	Goodwill	Total investment
Investments in associated companies and c	companies jointly contro	lled				
Balance at 1 January	631,382	321,700	953,082	519,470	321,700	841,170
Additions	625,114,444	87,527,500	712,641,944	25,000	-	25,000
Disposals	(34,251)	-	(34,251)	-	-	-
Equity method						
Effect on gains and losses (note 32)	(446,120)	-	(446,120)	80,902	-	80,902
Effect on reserves	(2,536,500)	-	(2,536,500)	6,010	-	6,010
Dividends	(143,870)	-	(143,870)	-	-	-
Total investment in associated companies and companies jointly controlled	622,585,085	87,849,200	710,434,285	631,382	321,700	953,082
Impairment losses (note 22)	(105,384)	-	(105,384)	(61,139)	-	(61,139)
Net value	622,479,701	87,849,200	710,328,901	570,243	321,700	891,943

The caption 'Equity method - Effect on reserves', includes, mainly, the effects of the exchange rate update of the incorporation on consolidated financial statements of Zopt of entities with an functional currency different from euro.

In the year ended at 31 December 2013, the increase in Investments in associated companies and companies jointly controlled corresponds to:

Supplementary capital in Zopt (note 3.e)	
	597,641,944
	30,000,000
Sold of supplementary capital of Zopt (note 3.e)	15,000,000)
Total	

The Goodwill amount, additional to the amount existing on financial statements of Zopt, amounting to Euro 87,527,500 results from the difference between the value of the investment (Euro 712,641,944) and the ownership on Zopt value (Euro 625,114,444), once was not identified any additional assets and liabilities allocation for being already recorded at fair value on financial statements of Zopt on the date of the Zon Optimus merger operation.

The breakdown, by company, of the Investments in associated companies and companies jointly controlled, is as follows:

		31	l December 2013			31 December 2012 (restated - note 1)
	Ownership value	Goodwill	Total investment	Ownership value	Goodwill	Total investment
Investments in associated companies and companies jointly controlled						
Zopt	622,079,444	87,527,500	709,606,944	25,000	-	25,000
Unipress	505,641	321,700	827,341	604,544	321,700	926,244
SIRS	(105,384)	-	(105,384)	(61,139)	-	(61,139)
Infosystems	-	-	-	1,838	-	1,838
Total	622,479,701	87,849,200	710,328,901	570,243	321,700	891,943

The key financial indicators of the entities above mentioned, can be summarized as follows:

(Amounts expressed in thounsand Euro)								
Company	% holding	Asset	Liability	Equity	Revenue	Operational results	Net result	
ZOPT*	50%	4,413,649	1,902,694	2,510,955	476,848	167,278	(1,949)	
Unipress	50%	4,726	3,714	1,011	3,360	972	149	
SIRS	45%	321	555	(234)	815	(24)	(98)	

^{*} Consolidated accounts of Zopt Group, prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

The consolidated financial statements of Zopt, at 31 December 2013 and 2012 can be resumed as follows:

Condensed consolidated balance sheets

(Amounts expressed in thousands of Euro)	DECEMBER 2013	DECEMBER 2012
Assets		
Tangible assets	1,153,257	-
Intangible assets	694,518	-
Goodwill (note 3.e)	1,597,737	-
Deferred tax assets	172,453	-
Other non-current assets	340,833	-
Non-current assets	3,958,798	-
Trade debtors	276,630	-
Cash and cash equivalents	74,390	50
Other current assets	103,831	-
Current assets	454,851	50
Total assets	4,413,649	50
Liabilities		
Medium and long-term loans – net of short-term portion	932,770	-
Provisions for other liabilities and charges	95,698	-
Other non-current liabilities	108,471	-
Non-current liabilities	1,136,939	-
Short-term loans and other loans	215,791	-
Trade creditors	296,915	-
Other current liabilities	253,049	-
Current liabilities	765,755	-
Total liabilities	1,902,694	-
Shareholders' funds excluding non-controlling interests	1,250,729	50
Non-controlling interests	1,260,226	-
Total Shareholders' funds	2,510,955	50
Total Shareholders' funds and liabilities	4,413,649	50





The equity includes non controlling interests.

Condensed consolidated statements of income by nature

(Amounts expressed in thousands of Euro)	DECEMBER 2013	DECEMBER 2012
Total revenue	476,848	-
Costs and losses		
Direct costs and External supplies and services	(204,528)	-
Depreciation and amortisation	(116,718)	-
Other operating costs	(134,793)	-
	(456,039)	-
Financial results	(16,663)	-
Income taxation	(6,095)	-
Consolidated net income/(loss) for the year	(1,949)	-
Consolidated net income/(loss) for the year attributed to non-controlling interests	(852)	-
Attributed to shareholders of parent company	(1,097)	-

The value on the income statement related to Zopt results from net income/(loss) of Zon Optimus of 4 months, the net income/ (loss) of Zopt, the impact on results of the process of allocating the fair value to the assets and liabilities acquired by Zopt and removing the effect of minority interests.

Legal actions and contingent assets and liabilities of Zopt Group

1. Municipal wayleave tax (TMDP) proceedings

In February 2004, pursuant to Article 13 of the Authorisation Directive (Directive 2002/20/EC of 7 June), Law 5/2004 of 10 February (Electronic Communications Law) established in its Article 106 the Municipal Wayleave Tax (TMDP) as consideration for the 'rights and costs of the installation, passage and crossing, in a determined area, of the public and private municipal domain' by the systems, equipment and other resources of companies offering public electronic communications networks and services.

The TMDP charge is levied on 'each invoice issued by the companies offering public electronic communications networks and services at a fixed location to all end customers within the respective municipality', and is calculated as a maximum percentage of 0.25% of the amount of each invoice. Some municipalities, despite approving the TMDP, have continued to collect Occupancy Taxes, while others have opted to maintain the latter taxes rather than approving the TMDP.

In the light of legal advice on the matter, the Group is of the view that the TMDP is the only tax that should be collected as consideration for the above mentioned rights, namely the right of installation, for which reason it has challenged the public highway Occupancy Taxes charged to it by municipalities, since it deems such taxes illegal. It must also be highlighted that under the scope of an administrative complaint, a decision has been made by some municipalities, which have either subscribed to the Group's interpretation or decided that they may only opt for one rate or the other, as it is not possible for the TMDP and public road Occupancy Rates to overlap.

Meanwhile, various judicial judgments have been issued on the substantive issue, including by the Supreme Administrative Court (two appeals are pending to the Constitutional Court presented in two proceedings by the C.M Lisboa) that uphold the position and understanding of ZON TV Cabo, with the result that there are good prospects that this dispute will be definitively resolved in favour of ZON TV Cabo by the majority of municipalities.



With the entry into force of Decree-Law 123/2009, this matter has been definitively resolved for the future. This law clearly states (in line with Group's interpretation of the previous legislation) that the TMDP is payable for the use and usufruct of property in the public or private municipal domain which involves the construction or installation, by companies that offer public electronic communications networks and services, of infrastructures for housing electronic communications in accordance with the terms of the Electronic Communications Law, and that no other taxes, official fees or consideration are due.

2. Legal actions with regulators

- On 8 July 2009, ZON TV Cabo was notified by the Competition Authority (AdC) in connection with administrative offence proceedings relating to the ZON triple-play offer, requesting ZON TV Cabo to comment on the content of the notification, which it did in good time. The case is currently at the fact-finding stage in AdC and various information has been requested, to which ZON has responded. If it is concluded that an infringement has occurred, the AdC may levy a fine not exceeding 10% of the company's turnover in last year of infringement.
- ICP-ANACOM instituted regulatory infringement proceedings against ZON TV Cabo, as it did against the majority of Portuguese electronic communications operators, for infringement of the portability regulations. ZON TV Cabo, ZON TV Cabo Açoreana and ZON TV Cabo Madeirense brought actions for judicial review of decisions by Anacom ordering them to pay a fine. In 2014 court decisions confirmed sanctions to ZON TV Cabo, ZON TV Cabo Açoreana and ZON TV Cabo Madeira amounting to 36 thousand euros, 7.5 thousand euros and 8.5 thousand euros, respectively. Are still three processes of 2013 pending decision.
- ZON TV Cabo Portugal, ZON TV Cabo Açoreana ZON TV Cabo Madeirense brought actions for judicial review of ICP-ANACOM's decisions in respect of the payment of the Annual Fee (for 2009, 2010, 2011 and 2012) for carrying on the business of Electronic Communications Services Networks Supplier in the amounts, respectively, of (i) 1,087 thousand euros, 2,325 thousand euros, 3,580 thousand euros and 3,447 thousand euros; (ii) 42 thousand euros, 79 thousand euros, 123 thousand euros and 113 thousand euros; (iii) 55 thousand euros, 109 thousand euros, 169 thousand euros and 156 thousand euros, and seeking reimbursement of the amounts meanwhile paid in connection with the enforcement proceedings. This fee is a percentage decided annually by ANACOM (in 2009 it was 0.5826%) of operators' electronic communications revenues. The scheme is being introduced gradually: 1/3 in the first year, 2/3 in the second year and 100% in the third year. ZON TV Cabo, ZON TV Cabo Açoreana and ZON TV Cabo Madeirense claim, in addition to defects of unconstitutionality and illegality, that only revenues from the electronic communications business per se, subject to regulation by ANACOM, should be considered for the purposes of the application of the percentage and the calculation of the fee payable, and that revenues from television content should be excluded. On 18 December 2012 a ruling was passed on the proceedings instigated by ZON TV Cabo Portugal for 2009, for which the appeal was upheld, with no prior hearing, condemning ICP-ANACOM to pay the costs. ICP-ANACOM appealed and by decision of July 2013 was not upheld. The remaining proceedings are awaiting trial and decision.
- ZON Optimus tendered in an auction for licences for a nationwide freeview generalist programme service, to be broadcast via terrestrial television. The Regulator of Social Communication decided on 23 March 2009 to disqualify ZON Optimus's bid, along with
 that of another bidder. ZON Optimus has applied for judicial review of the decision. The outcome of these proceedings is awaited.

3. Tax Authorities

During the course of the 2003 to 2013 financial years, certain companies of the ZON Optimus Group were the subject of tax inspections for the 2001 to 2011 financial years. Following these inspections, ZON Optimus, as the controlling company of the Tax Group, and companies not covered by Tax Group, were notified of the corrections made to the Group's tax losses, to VAT and stamp tax and to make the payments related to the corrections made to the above exercises. The total amount of the notifications is about 30.7 million euros. Note that the Group considered that the corrections were unfounded, and contested the amounts mentioned. The Group provided the bank guarantees demanded by the Tax Authorities in connection with these proceedings.

At end of year 2013 and taking advantage of the extraordinary settlement scheme of tax debts, the Group settled 7.7 million euros (corresponding to notifications in the amount of 18 million euros less accrued interests). This amount was recorded as 'taxes receivable' non current net of the provision recorded in the amount of 3.5 million euros. As belief of the Board of Directors of the Zopt group, supported by our lawyers and tax advisors, the risk of loss of these proceedings is not likely and the outcome thereof will not affect materially the consolidated position.

4. Actions by portugal telecom against zon tv cabo madeirense and zon tv cabo açoreana

- · PT brought an action in Funchal Judicial Court against ZON TV Cabo Madeirense, claiming payment of 1,608 thousand euros, plus accrued interest until the date of full settlement, for the alleged use of ducts, supply of the MID service, supply of video and audio channels, operating, maintenance and management costs of the Madeira/Porto Santo undersea cable and the use of two fiber optic circuits. The company contested the action, in particular the prices concerned, the services and PT's legal capacity in respect of the ducts. At the end of July 2013, a favorable decision was given to ZON TV Cabo Madeira, which, however, PT appealed. The case is pending normal development.
- In April 2012, following the decision made on 19 July 2011 in which ZON TV Cabo Acoreana was acquitted, PT brought two new actions against ZON TV Cabo Açoreana, one relating to the MID service and the other to the supply of video and audio channels, claiming payment of 222 thousand euros and 316 thousand euros respectively, plus interest. They are awaiting decision. A sentence, without impacting interests, reduced the amount payable by ZON TV Cabo Açoreana to about 97 thousand euro.

5. Action against Zon TV Cabo

Already in 2014, a ZON TV Cabo provider's of marketing services has brought a civil lawsuit seeking a payment of about 1,243,000 euros, by the alleged early termination of contract and for compensation. It is belief of the Board that the arguments used are not correct, so the outcome of the proceeding will not result in significant impact on the financial statements of the group.

6. Cinema Law

Law n.º 55/2012, which establishes the principles of state action under the promotion, development and protection of cinema and cinematographic and audiovisual activities in Portugal, was published on September 6, 2012. This Law was enacted in 2013 (DL 9/2013) for the sole purpose of liquidating and charging publicity rates for showing films and charging television distribution operators.

Meanwhile, is pending approval in Parliament an amendment to the Cinema Law which reduces the fee amount from 2014. Overall, it was agreed by the operators.

During the year 2013, the Group settled the payment of 2013's fees as they have been notified by the Institute of Cinema and Audiovisual.

7. Actions against Sport TV

Sport TV Portugal, S.A. was fined by the Competition Authority to the value of 3,730 thousand euros for the alleged abuse of its dominant position in the domestic market of subscription channels with premium sport content. Sport TV is not in agreement with the decision and has therefore decided to appeal against the same to the competent judicial authorities.

8. Contractual penalties

The general conditions that affect the agreement and termination of this contract between ZON Optimus and its clients, establish that if the products and services provided by the client can no longer be used prior to the end of the binding period, the client is obliged to immediately pay damages.

As of December 2013, damages were charged by ZON TV Cabo and Optimus to a total of 21,337 thousand euros and 172,331 thousand euros, respectively, of which 953 thousand euros and 2,053 thousand euros, respectively, were received in the year and in the last four months of the year, respectively.

9. Interconnection tariffs

At 31 December 2013, accounts receivable and accounts payable include 37,139,253 euros and 29,913,608 euros, 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 indefinition of interconnection tariffs, recorded in the year ended at 31 December 2001. In the lower court, the decision was favorable 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.

10. National Commission for Data Protection ('CNDP')

At 31 December 2013, there is recorded a provision to cover the offense proceedings in the amount of approximately 4.5 million euros, established by the National Commission for Data Protection ('CNDP') against Optimus subsidiary, for alleged violations of rules relating to legal protection of data. During the design phase of decision, Optimus argued, firstly, a set of procedural irregularities and, secondly, a set of fact and law arguments that the Board understood to impose a final decision to dismiss the case. However, on 16 January 2014, Optimus received a settlement notice regarding the fine imposed by the CNPD, against which will appeal to the courts. The Board of Directors believes to obtain a favorable decision.

9. Financial assets at fair value through profit or loss

In August 2013, Sonaecom Group began to hold Zon Optimus shares recorded at fair value through profit or loss, as a result of the merger between Optimus SGPS ans Zon (note 3.e), since it is the initial classification of an asset held for a sale purpose in a short-time (note 43). In accordance with the 'Shareholders Agreement', these shares neither concedes any additional vote right or affect the shared control situation with Zon Optimus.

The movements occurred in financial assets at fair value through profit or loss, in 31 December 2013 were as follows:

					2013
Financial assets at fair value through profit or loss	Opening balance	Increases (note 3.e)	Decreases	Fair value adjustments	Closing balance
Zon Optimus	-	155,805,631	-	46,636,719	202,442,350

The fair value adjustments are recorded under the caption "Gains and losses on Group companies" in Profit and Loss Statement (note 32).

The evaluation of fair value of the investment is detail as follows:

Shares (7.28%)	37,489,324
Level of inputs in the hierarchy of fair value	Nível 1
Valuation method	Quoted price on the stock exchange
Quoted price*	5,4
Fair value	202,442,350

^{*} Used the share price of 31 December 2013 in the determination of the fair value.

This investment was classified as a current asset, following the launching by Sonaecom, of the partial and voluntary offer for the acquisition of own shares (note 43).

10. Investments available for sale

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

	%	2013	2012
Lusa – Agência de Notícias e 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
Impairment losses		(100,000)	-
		115,448	212,323

During the year ended at 31 December 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, and to the the constitution of an impairment loss amount to Euro 100,000 related to investment in Lusa, registered in 'Other financial expenses' in profit and loss statement (note 32).

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

At 31 December 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.

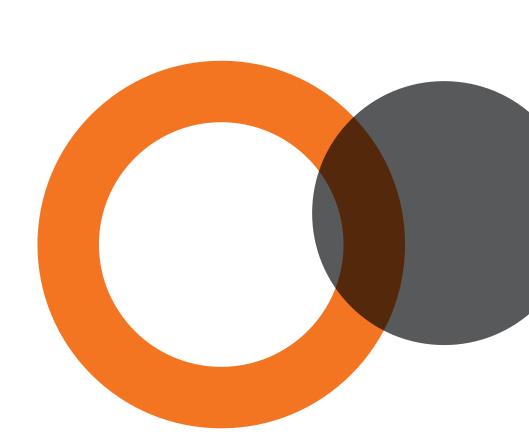
The assessment of impairment in the investments described above is performed through comparisons with the value of the percentage of share capital detained by the Group and with multiples of sales and EBITDA of companies of the same sector.

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.





11. Deferred taxes

Deferred tax assets at 31 December 2013 and 2012, amounted to Euro 5,199,886 and Euro 101,134,781, 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 years ended at 31 December 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 deffered tax of previous years	Discontinued operations (note 3.e)	Balance at 31 December 2013
Tax losses	6,172,973	1,160,777	(928,527)	(1,054,642)	(4,501,586)	848,995
Tax provisions not accepted and other temporary differences	36,302,876	(75,391)	-	4,718,206	(39,434,788)	1,510,903
Tax benefits (SIFIDE and RFAI)	9,709,216	5,088,052	(1,320,450)	(5,900)	(12,524,383)	946,535
Adjustments in the conversion to IAS/IFRS	13,249,801	(4,416,654)	-	1,392,244	(10,225,164)	227
Temporary differences arising from the securitisation of receivables	3,220,000	-	(2,146,667)	-	(1,073,333)	-
Differences between the tax and accounting amount of certain fixed assets and others	32,510,701	(3,849,386)	-	4,202,742	(30,866,513)	1,997,545
Sub-total	101,165,567	(2,092,602)	(4,395,644)	9,252,651	(98,625,767)	5,304,205
Discontinued operations	95,065,947	(2,407,278)	(3,249,921)	9,217,018	(98,625,767)	-
Continued operations (note 33)	6,099,620	314,676	(1,145,723)	35,632	-	5,304,205
Others	(30,786)	(73,533)	-	-	-	(104,319)
Closing balance	101,134,781	(6,351,339)	(4,395,644)	9,252,651	(98,625,767)	5,199,886

						2012
	Balance at 31 December 2011	Movements in deferred tax of year	Utilization of deferred tax	Record/ (reverse) of deffered tax of previous years	Discontinued operations (note 3.d)	Balance at 31 December 2012
Tax losses	7,152,769	-	(689,620)	(290,176)	-	6,172,973
Tax provisions not accepted and other temporary differences	26,591,262	(2,768,023)	-	12,479,637	-	36,302,876
Tax benefits (SIFIDE and RFAI)	3,519,525	-	-	6,189,691	-	9,709,216
Adjustments in the conversion to IAS/IFRS	20,203,355	(6,953,554)	-	-	-	13,249,801
Temporary differences arising from the securitisation of receivables	6,440,000	-	(3,220,000)	-	-	3,220,000
Differences between the tax and accounting amount of certain fixed assets and others	39,975,219	(7,464,518)	-	-	-	32,510,701
Sub-total effect on results	103,882,130	(17,186,095)	(3,909,620)	18,379,152	-	101,165,567
Others	(28,249)	(2,537)	-	-	-	(30,786)
Closing balance	103,853,881	(17,188,632)	(3,909,620)	18,379,152	-	101,134,781

The 'Tax provisions not accepted and other temporary differences' include 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. In the year ended at 31 December 2013, these assets are no longer part of the final balance and are recorded in 'Discontinued operations (note 3.e)', following the merger between Optimus SGPS and Zon and, subsequently, the derecognition of the assets and liabilities of the telecommunications segment (note 3.e).

Deferred taxes related to the IAS / IFRS conversion 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.

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. 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 30 August 2013, an amount of Euro 15 million was reversed corresponding to the reversal of the above referred temporary difference. In the year ended at 31 December 2013, these assets are no longer part of the final balance and are recorded in 'Discontinued operations (note 3.e)', following the merger between Optimus SGPS and Zon and, subsequently, the derecognition of the assets and liabilities of the telecommunications segment (note 3.e).

At 31 December 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 7.

The rate used at 31 December 2013, in Portuguese companies, to calculate the deferred tax assets relating to tax losses carried forward was 23%, as a consequence of the IRC rate change from 25% to 23% from 2014 onwards . The rate used to calculate the temporary differences in Portuguese companies, including provisions not accepted and impairment losses, was 24.5%. It wasn't considered the state surcharge, as it was understood to be unlikely the taxation of temporary differences during the estimated period when the referred rate will be applicable. 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. 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 December 2013 was as follows:

	COMPANIES EXCLUDED OF THE TAX GROUP							2013	
Nature	Companies included in the tax group	Digitmarket	WeDo Brasil	WeDo USA	Sonecom Sistemas de Informação Espanha	WeDo Mexico	Saphety Brasil	Total	Total Sonaecom Group
Tax losses:									
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	-	-	-	-	-	188,701	-	188,701	188,701
To be used until 2025	-	-	-	-	151,545	-	-	151,545	151,545
To be used until 2030	-	-	-	123,739	7,393	-	-	131,132	131,132
To be used until 2033	-	-	-	196,320	-	-	-	196,320	196,320
Tax losses	-	-	-	320,059	158,938	369,998	-	848,995	848,995
Tax provisions not accepted and other temporary differences	983,891	19,770	444,704	-	-	59,452	3,086	527,012	1,510,903
Tax benefits (SIFIDE and RFAI)	930,654	-	-	15,881	-	-	-	15,881	946,535
Adjustments in the conversion to IAS/IFRS	-	227	-	-	-	-	-	227	227
Differences between the tax and accounting amount of certain fixed assets and others	-	-	-	-	-	-	-	-	1,997,545
Others	-	-	(77,697)	(13,093)	-	(13,144)	(385)	(104,319)	(104,319)
Total	1,914,545	19,997	367,007	322,847	158,938	416,306	2,701	1,287,796	5,199,886

At 31 December 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 (restated - note 1)
Tax losses	5,988,664	22,481,012
Temporary differences (provisions not accepted for tax purposes and other temporary diferences)	34,979,707	35,720,549
Others	1,254,119	7,378,263
	42,222,490	65,579,824

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

DUE DATE	2013	2012 (restated - notel)
2013	-	13,848,361
2014	407,763	694,361
2015	1,261,963	3,953,553
2016	304,480	395,966
2017	209,237	180,294
2018	216,766	48,023
2019	331,156	331,156
2020	28,467	10,130
2021	53,860	53,860
2022	53,174	-
2027	-	-
2030	84,942	84,676
2031	105,369	-
Unlimited	2,931,487	2,880,632
	5,988,664	22,481,012

The years 2019 and following are applicable to the subsidiaries incorporated in countries in which the reporting period of tax losses is greater than five years.

The deferred tax liabilities at 31 December 2013 amounting to Euro 89,522 (2012: Euro 1,089,637), result mainly from temporary differences between tax and accounting results of intangible assets.

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

	2013	2012
Opening balance (restated - note 1)	(1,089,637)	(5,186,710)
Temporary differences between accounting and tax result	740,362	3,606,259
Discontinued operations	740,173	-
Continued operations (impact on results (note 33)	189	-
Discontinued operations (note 3.e)	259,753	-
Sub-total effect on results (note 33)	189	3,606,259
Others	-	490,814
Closing balance	(89,522)	(1,089,637)

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

	2013	2012 (restated - note 1)
Earnings before taxes	41,395,371	(33,166,514)
Income tax rate (25%)	(10,348,843)	8,291,629
Deferred tax assets not recognised in the individual accounts and / or resulting from consolidation adjustments and other adjustments to taxable income	3,962,964	(8,054,083)
Record/(reverse) of deferred tax assets related to previous years and tax benefits	564,199	(80,225)
Use of tax losses and tax benefits without record of deferred tax asset in previous years	2,702,328	69,655
Temporary differences for the year without record of deferred tax assets	(403,722)	(234,241)
Record of deferred tax liabilities	(350,070)	-
Income taxation recorded in the year (note 33)	(3,873,144)	(7,265)

The tax rate used to reconcile the tax expense and the accounting profit was 25% because it is the standard rate of the corporate income tax in Portugal in 2013 and 2012.

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 (at that date) 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 (Report of the Tax Inspection and tax settlement notice received in December 2011 and January 2012, respectively) and 2010 (Report of the Tax Inspection and the tax settlement notice received in January and May 2013, respectively). 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 amortisation hired as part of the operation (20 million per year during 5 years). Since the Board of Directors believes that the contingency is not probable, there has been no recorded any contingent liability. At 31 December 2013, Optimus is no longer part of the consolidation of the group Sonaecom by integral method as a result of the merger of Optimus SGPS with Zon (note 3 e).

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 December 2013.





12. Inventories

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

	2013	2012 (restated - note 1)
Raw materials	427,855	615,561
Merchandise	150,670	17,564,377
	578,525	18,179,938
Accumulated impairment losses on inventories (note 22)	(25,000)	(4,377,789)
	553,525	13,802,149

The deviation occurred between both years in Inventories includes the effect of the derecognition of the amounts of the telecommunications segment following the merger between Optimus SGPS and Zon (note 3.e).

The cost of goods sold in the years ended at 31 December 2013 and 2012 amounted to Euro 24,753,054 and Euro 24,854,049 respectively and was determined as follows:

	2013	2012 (restated - note 1)
Opening inventories	18,179,938	20,119,326
Purchases	51,803,061	87,856,290
Increase of accumulated impairment losses on inventories (note 22)	466,664	286,548
Inventory adjustments	(4,514,410)	(22,454,352)
Output of the telecommunications sector companies (note 3.e)	(19,124,520)	-
Descontinued operations (note 37)	(21,479,154)	(42,773,825)
Closing inventories	(578,525)	(18,179,938)
	24,753,054	24,854,049

The amounts recorded under the caption 'Inventory adjustments' at 31 December 2013 and 2012 correspond, essentially, to the transfer of telecommunications handsets from the caption 'Inventories' to the caption 'Tangible assets', as a result of the rental contracts agreements signed with customers by the subsidiary Optimus - Comunicações S.A. (note 5). These amounts were, in the year ended at 31 December 2013, derecognized following the merger between Optimus SGPS and Zon (note 3.e).

The accumulated impairment losses on inventories reflect the difference between the acquisition cost and market net realisable value of the inventory, as well as the estimate of impairment losses due to low stock turnover, obsolescence and deterioration. The accumulated impairment losses are registered in the caption 'Cost of sales' (note 1.i).



13. Trade debtors

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

	_	
	2013	2012 (restated - note 1)
Trade debtors:		
Telecommunications	-	114,202,453
Information Systems	32,032,744	27,448,614
Multimedia and others	4,383,609	3,250,591
	36,416,353	144,901,658
Doubtful debtors	3,889,900	82,069,573
	40,306,253	226,971,231
Impairment losses in accounts receivable (note 22)	(3,889,900)	(82,069,573)
	36,416,353	144,901,658

The deviation occurred between both years in Trade debtors includes the effect of the derecognition of the amounts of the telecommunications segment following the merger between Optimus SGPS and Zon (note 3.e).

At 31 December 2013 and 2012, the accumulated impairment losses by segment were made up as follows:

	2013	2012 (restated - note 1)
Impairment losses in accounts receivable:		
Telecommunications	-	78,364,692
Information Systems	1,965,707	826,448
Multimedia and others	1,924,193	2,878,433
	3,889,900	82,069,573

The Group's exposure to credit risk is mainly related to accounts receivable arising from its operational activity. The amounts included in the balance sheet are net of cumulative doubtful debtors impairment losses that were estimated by the Group, taking into consideration its past experience and an assessment of the current macroeconomic environment. The Board of Directors believes that the book value of the accounts receivable does not differ significantly from its fair value.

Trade debtors by age at 31 December 2013 and 2012 were as follows:

	DUE WITHOUT IMPAIRMENT							DUE WITH	IMPAIRMENT
	Total	Not due	Until 30 days	From 30 to 90 days	More than 90 days	Until 90 days	From 90 to 180 days	From 180 to 360 days	More than 360 days
2013									
Trade debtors	40,306,253	16,421,523	7,189,764	4,782,586	4,719,780	954,061	856,685	1,179,790	4,202,064
2012 (restated - note 1)									
Trade debtors	226,971,231	56,273,468	18,849,974	16,904,689	24,301,920	3,957,205	2,829,239	6,284,433	97,570,303

At 31 December 2013, of the total amount of accounts receivable impaired and overdue for more than 90 days, net of VAT, that the Group expects and makes efforts to recover, around 80% were covered by impairment adjustments.

Credit risk monitoring, which is performed on a continuous basis, can be resumed as follows:

- (i) In the case of regular customers, impairment adjustment is calculated by applying an uncollectibility percentage based on historical data regarding collections, to the accounts receivables overdue.
- (ii) In the case of the remaining accounts receivable, impairment adjustments are determined on a stand-alone basis, based on the age of the receivables, net of the amounts payable and the information of the financial situation of the debtor.

14. Other current debtors

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

Advances to suppliers 534,960 1,0 Information Society - 10,9 Other debtors 16,752,397 4,5 Accumulated impairment losses in accounts receivable (note 22) (109,625) (8		2013	2012 (restated - note 1)
Information Society - 10,5 Other debtors 16,752,397 4,5 Accumulated impairment losses in accounts receivable (note 22) (109,625) (8	State and other public entities	5,863,034	5,999,639
Other debtors 16,752,397 4.5 Accumulated impairment losses in accounts receivable (note 22) (109,625) (8	Advances to suppliers	534,960	1,094,385
Accumulated impairment losses in accounts receivable (note 22) (109,625) (8	Information Society		10,918,467
	Other debtors	16,752,397	4,523,476
23,040,766 21,7	Accumulated impairment losses in accounts receivable (note 22)	(109,625)	(825,871)
		23,040,766	21,710,096

At 31 December 2012, the net position of the Sonaecom Group with the 'Fundação para as Comunicações Móveis', under the 'Iniciativas E' programme, amounts to a receivable of Euro 10,918,467. At 31 December 2013 these amounts were desrecognized following te merger between Optimus SGPS and Zon and the consequent desrecognition of the assets and liabilities of the telecommunications sector (note 3.e).

At 31 December 2013, the caption 'Other debtors' include an amountreferred to the to chosen of Sonaecom SGPS, SA to benefit from the scheme of Outstanding Debts Settlement of Tax and Social Security, and carried out a payment totaling of circa Euro 5 million related essentially to VAT. The Board of Directors believes that these amounts are not due and there are no material liabilities associated that has no provision and that should be disclosed.

Other debtors and advances to suppliers by age at 31 December 2013 and 2012 are as follows:

	DUE WITHOUT IMPAIRMENT							DUE WITH I	MPAIRMENT
	Total	Not due	Until 30 days	From 30 to 90 days	More than 90 days	Until 90 days	From 90 to 180 days	From 180 to 360 days	More than 360 days
2013									
Advances to suppliers	534,960	52,663	239,007	3,136	240,154	-	-	-	-
Other debtors	16,752,397	364,583	4,489,285	3,228,261	8,464,783	-	-	5,197	200,288
	17,287,357	417,246	4,728,292	3,231,397	8,704,937	-	-	5,197	200,288
2012 (restated - note 1)									
Information Society	10,918,467	-	-	-	10,918,467	-	-	-	-
Advances to suppliers	1,094,385	499,074	401,079	41,385	105,392	47,455	-	-	-
Other debtors	4,523,476	464,725	1,371,274	65,567	2,227,429	188,097	60	22,063	184,261
	16,536,328	963,799	1,772,353	106,952	13,251,288	235,552	60	22,063	184,261

The amounts due and without impairment correspond, mostly, to Sonae Group companies and other entities, without credit risk.



15. Other current assets

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

	2013	2012 (restated - note 1)
Invoices to be issued to clients for services rendered	6,242,561	36,638,133
Specialised work paid in advance	1,892,828	15,410,725
Invoices to be issued to operators (note 3.e)	-	18,473,505
Other accrued income	783,419	1,142,523
Prepaid rents	293,202	923,483
Rappel discounts (annual quantity discounts)	17,684	290,640
Other costs paid in advance	68,712	644,791
	9,298,406	73,523,800

The results of the projects in progress, carried out by the information systems segment, are recognised based on the completion percentage method, which is calculated taking into consideration the relation between the costs already incurred and the works performed to date and the comparison to the total estimated costs for the same project, except when these are not representative of the stage of completion of the project.

At 31 December 2013 and 2012, projects in progress could be summarised as follows:

	2013	2012
Number of projects in progress	664	415
Total costs recognised	18,133,225	17,860,214
Total revenues recognised	30,823,190	24,926,025
Total deferred revenues (note 27)	5,944,035	8,313,048
Total accrued revenues	4,680,950	4,567,092

16. Cash and cash equivalents

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

	2013	2012 (restated - note 1)
Cash	10,979	121,908
Bank deposits repayable on demand	28,793,626	6,740,185
Treasury applications	159,210,318	54,878,917
Cash and cash equivalents	188,014,923	61,741,010
Bank overdrafts (note 20)	(10,208)	(55,290)
	188,004,715	61,685,720

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

	2013	2012
Sonae Investments BV	-	16,810,000
Bank applications	159,210,318	38,068,917
	159,210,318	54,878,917

During the year ended at 31 December 2013, the above mentioned treasury applications bear interests at an average rate of 1.69% (2.48% in 2012).

17. Share capital

At 31 December 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
	N. I		N. I	
	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')	82,152,012	22.42%	78,681,339	21.48%
Sonae SGPS	76,679,374	20.94%	3,430,000	0.94%
Goldman Sachs*	7,780,349	2.12%	-	0.00%
Own shares (Note 18)	5,571,014	1.52%	4,321,038	1.18%
Efanor Investimentos, SGPS, S.A	1,000	0.00%	1,000	0.00%
Atlas Service Belgium**	-	-	73,249,374	20.00%
Millenium BCP ***	-	-	12,500,998	3.41%
	366,246,868	100.00%	366,246,868	100.00%

^{*} On 23 October 2013, Goldman Sachs Group, Inc. informed Sonaecom about the completion of a qualifying holding of 2.12% in Sonaecom, corresponding to 7,780,349 shares and voting rights.

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.

18. Own shares

During the year ended at 31 December 2013, Sonaecom delivered to its employees 250,024 own shares under its Short and Medium Term Incentive Plan.

Additionally, during the year ended at 31 December 2013, Sonaecom acquired 1,500,000 shares (at an average price of Euro 1.667), holding at 31 December 2013, 5,571,014 own shares, representative of 1.52% of its share capital at the average acquisition cost of Euro 1.380.

19. Non-controlling interests

Non-controlling interests at 31 December 2013 and 2012 are made up as follows:

	269,824	387,479
Others	(33,418)	492
Saphety	(71,967)	27,109
Digitmarket	375,209	359,878
	2013	2012



^{**} At 15 February 2013, Sonae and France Télécom ('FT-Orange') have concluded an agreement, which consisted in the assignment of a call and a put option, respectively, of the 20% stake in Sonaecom, held at that date by a subsidiary of FT-Orange. At 9 September 2013, the abovementioned option was exercised by Sonae and FT-Orange respectively.

^{***} The number of shares held by Millenium BCP, according with the information obtained on 15 May 2013, has been included in 'Free Float' because it does not

20. Loans

At 31 December 2013 and 2012, the caption Loans had the following breakdown:

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

AMOUNT OUTSTA	NDING					
Company	Issue denomination	Limit	Maturity	Type of reimbursement	2013	2012 (restated - note 1)
Sonaecom SGPS	Obrigações Sonaecom SGPS 2011	100,000,000	Mar-15	Final	-	100,000,000
	Obrigações Sonaecom SGPS 2010	40,000,000	Mar-15	Final	-	40,000,000
	Obrigações Sonaecom SGPS 2012	20,000,000	Jul-15	Parcel	-	20,000,000
	Obrigações Sonaecom SGPS 2013	20,000,000	Jun-16	Final	20,000,000	-
	Costs associated with financing set-up	-	-	-	(58,271)	(1,586,070)
	Interests incurred but not yet due	-	=	-	61,767	1,745,019
					20,003,496	160,158,949
Sonaecom SGPS	Commercial paper	30,000,000	Jul-15	-	-	30,000,000
	Costs associated with financing set-up	=	-	-	-	(70,090)
	Interests incurred but not yet due	-	-	-	-	150,771
					-	30,080,681
WeDo USA	Bank loan	-	Apr-19	-	4,449,538	5,684,400
Saphety	Minority Shareholder loans	-	-	-	451,322	451,322
	Costs associated with financing set-up	-	-	-	(121,435)	(168,023)
	Interests incurred but not yet due	-	-	-	27,158	31,410
					4,806,583	5,999,109
					24,810,079	196,238,739

b) Short-term loans and other loans

AMOUNT OUTSTA	NDING					
Company	Issue denomination	Limit	Maturity	Type of reimbursement	2013	2012 (restated - note 1)
Sonaecom SGPS	Obrigações Sonaecom SGPS 2005	150,000,000	Jun-13	Final	-	150,000,000
	Obrigações Sonaecom SGPS 2010	30,000,000	Fev-13	Final	-	30,000,000
	Costs associated with financing set-up	-	-	-	-	(262,458)
	Interest incurred but not yet due	-	-	-	-	377,316
					-	180,114,858
Optimus SA	Other loans	-	-	-	-	7,000,000
WeDo USA	Bank loan	-	Apr-14	-	988,788	-
Several	Bank overdrafts (note 16)	-	-	-	10,208	55,290
					998,996	7,055,290
					998,996	187,170,148
	·					

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. During the year ended at 31 December 2013, Sonaecom settled the entire amount of the bond loan and respective interest expenses.

In February and March 2010, Sonaecom signed two other Bond Loans, both privately placed, in the amount of Euro 30 and 40 million, without guarantees and maturities of 3 and 5 years respectively. Both loans bear interest at floating rate indexed to Euribor, and paid semiannually. The issues were organised and mounted by, respectively, Banco Espirito Santo de Investimento and Caixa - Banco de Investimento. These bond issues were traded on Euronext Lisbon market. At 4 February 2013, the Company settled the bond loan of Euro 30 million. During the year ended at 31 December 2013, following the merger, the Boan Loan of Euro 40 million was transferred to Zon Optimus.

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. During the year ended at 31 December 2013, Portigon AG (previously named WestLB AG), transferred an amount of Euro 33.300.000 (corresponding to its entire participation in the loan) to Erste Abwicklungsanstalt ('EAA'), a state entity in German. During the year ended at 31 December 2013, following the merger, the Boan Loan of Euro 100 million was transferred to Zon Optimus.

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. During the year ended at 31 December 2013, following the merger, the Boan Loan of Euro 20 million was fully reimbursed and, subsequently, transferred to Zon Optimus the capacity to use this facility, in the form of commercial paper by the same amount.

In May 2013, Sonaecom signed a Boan Loan, privately placed, amounting to Euro 20 million, without guarantees and with a maturity date of three years. The bonds bear interest at floating rate indexed to Euribor and paid semiannually. This issue was organized and mounted by Caixa Económica Montepio Geral.

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 year 2013, was 2.71% (3.01% 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. In 30 July 2012, Sonaecom settled the entire amount used of commercial paper and respective interest expenses. The placing underwriting consortium was 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 Branch office (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 June 2013 an addition was made to the contract that lasted for one year, automatically renewable for equal periods up to a maximum of 5 years. In 31 December 2013, this credit line was not being used.

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. During the year ended at 31 December 2013, following the merger, the two Commercial Paper Programme were fully reimbursed and, subsequently, transferred to Zon Optimus the capacity to use this facility.

In May 2013, Sonaecom contracted a Commercial Paper Programme Issuance with maximum amounts of 30 million with subscription grant and maturity of eighteen months, organised by Banco Espírito Santo de Investimento and Banco Espírito Santo. During the year ended at 31 December 2013, following the merger, the Commercial Paper Programme of Euro 30 million was fully reimbursed and, subsequently, transferred to Zon Optimus the capacity to use this facility.

In June 2013, Sonaecom contracted a Commercial Paper Programme Issuance with a maximum amounts of 100 million with subscription grant and maturity of one year, organised by Banco Comercial Português. During the year ended at 31 December 2013, following the merger, the Commercial Paper Programme of Euro 100 million was fully reimbursed and, subsequently, transferred to Zon Optimus the capacity to use this facility.

The average interest rate of the Commercial Paper Programmes, in the year 2013, was 4.26% (1.52% in 2012).

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.

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

On 31 December 2013, the main financial constraints (covenants) included in debt contracts are related with the bond issue completed by Sonaecom in May 2013, totaling Euro 20 million, organised by Caixa Económica Montepio Geral and establishing 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 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 December 2013 and at present date, Sonaecom was fully compliant with all the financial constraints above mentioned.

Bank credit lines of short-term portion

 $Sonaecom\ has\ also\ a\ short\ term\ bank\ credit\ line,\ in\ the\ form\ of\ current\ or\ overdraft\ account\ commitment,\ in\ the\ amount\ of\ Euro\ 1$ million. These credit lines, usually, have maturities up to one year, automatically renewable, except in case of termination by either party, with some periods of notice. During the year ended at 31 December 2013, following the merger, the bank credit line of shortterm portion amounting Euro 10 million of Banco Popular was transferred to Zon Optimus.

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 December 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):

	WITHIN 12 MONTHS	BETWEEN 12 AND 24 MONTHS	BETWEEN 24 AND 36 MONTHS	BETWEEN 36 AND 48 MONTHS	BETWEEN 48 AND 60 MONTHS	BETWEEN 60 AND 72 MONTHS
2013						
Bond loan:						
Reimbursements	-	-	20,000,000	-	-	-
Interests	980,278	980,278	424,318	-	-	-
Commercial paper:						
Reimbursements	-	-	-	-	-	-
Interests	-	-	-	-	-	-
Other loans:						
Reimbursements	-	988,786	988,786	988,786	988,786	494,394
Interests	134,394	108,363	82,549	56,231	30,273	4,242
	1,114,672	2,077,427	21,495,653	1,045,017	1,019,059	498,636

	WITHIN 12 MONTHS	BETWEEN 12 AND 24 MONTHS	BETWEEN 24 AND 36 MONTHS	BETWEEN 36 AND 48 MONTHS	BETWEEN 48 AND 60 MONTHS	BETWEEN 60 AND 72 MONTHS
2012						
Bond loan:						
Reimbursements	-	-	160,000,000	-	-	-
Interests	5,840,405	5,726,552	1,398,895	-	-	-
Commercial paper:						
Reimbursements	-	-	30,000,000	-	-	-
Interests	1,168,913	1,168,913	678,930	-	-	-
Other loans:						
Reimbursements	-	1,072,718	1,072,718	1,072,718	1,072,718	1,072,718
Interests	140,294	101,319	79,212	56,703	34,349	7,307
	7,149,612	8,069,502	193,229,755	1,129,421	1,107,067	1,080,025

Although the maturity of commercial paper issuance is between one week to six months, the counterparties assumed the placement and the maintenance of those limits for a period of one to three years. As so, such liabilities are recorded in the medium and long term in the year ended at 31 December 2012.

Minority Shareholder loans have no maturity defined.



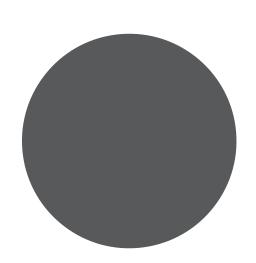
At 31 December 2013 and 2012, the available credit lines of the Group were as follows:

		444,684,400	382,739,690	69,000,000		
Several	Several	-	7,055,290		Х	
WeDo USA	Bank loan	5,684,400	5,684,400	-		х
Sonaecom	Authorised overdrafts	2,500,000	-	2,500,000	х	
Sonaecom	Authorised overdrafts*	10,000,000	=	10,000,000	x	
Sonaecom	Overdraft facilities	16,500,000	-	16,500,000	х	
Sonaecom	Bond loan	20,000,000	20,000,000	-		х
Sonaecom	Bond loan	30,000,000	30,000,000	-	х	
Sonaecom	Bond loan	40,000,000	40,000,000	-		х
Sonaecom	Bond loan	100,000,000	100,000,000	-		х
Sonaecom	Bond loan	150,000,000	150,000,000	-	x	
Sonaecom	Commercial paper	15,000,000	-	15,000,000	Х	
Sonaecom	Commercial paper	25,000,000	-	25,000,000	Х	
Sonaecom	Commercial paper	30,000,000	30,000,000	=		х
2012 (restated - Note 1)						
		41,438,326	25,448,534	16,000,000		
Several	Several	-	10,208	-	x	
WeDo USA	Bank loan	5,438,326	5,438,326	-	x	х
Sonaecom	Authorised overdrafts	1,000,000	-	1,000,000	x	
Sonaecom	Bond loan	20,000,000	20,000,000	-		х
Sonaecom	Commercial paper	15,000,000	-	15,000,000	x	
2013			_			
Company	Credit	Limit	Amount outstanding	Amount available	Until 12 months	More than 12 months
						MATURITY

^{*} Can also be used in the form of commercial paper.

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

Based on the debt exposed to variable rates at the end of 2013, and considering the applications and bank balances at the same date, if market interest rates has rised (fallen), in average, 75bp during the year 2013, the interest paid that year would be decreased (increased) in an amount of approximately Euro 1,000,000.





21. Other non-current financial liabilities

At 31 December 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 67,937 and Euro 17,308,879, respectively. This variation is due to the derecognition of the financial liabilities of the telecommunications segment (note 3.e).

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

		2013	2012 (restated - r		
	Lease payments	Present value of lease payments	Lease payments	Present value of lease payments	
2012	-	-	4,702,802	3,594,987	
2013	76,294	70,728	3,477,615	2,615,655	
2014	41,332	38,286	3,351,597	2,628,909	
2015	26,142	25,040	2,365,819	1,772,586	
2016 onwards	4,682	4,611	12,453,930	10,291,729	
	148,450	138,665	26,351,763	20,903,866	
Interests	(9,784)	-	(5,447,895)	-	
	138,666	138,665	20,903,868	20,903,866	
Short-term liability (note 25)	-	(70,728)	-	(3,594,987)	
	138,666	67,937	20,903,868	17,308,879	

22. Provisions and accumulated impairment losses

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

	OPENING BALANCE (Restated - note 1)	INCREASES	DECREASES	UTILISATIONS AND TRANSFERS	DISCONTINUED OPERATIONS (NOTE 3.e)	CLOSING BALANCE
2013						
Accumulated impairment losses on accounts receivables (notes 13 and 14)	82,895,444	18,801,662	(5,504,235)	(19,030,746)	(73,162,600)	3,999,525
Accumulated impairment losses on inventories (note 12)	4,377,789	466,664	(1,995,000)	(520,824)	(2,303,629)	25,000
Provisions for other liabilities and charges	43,673,340	4,257,934	(5,753,550)	(3,868,767)	(35,247,971)	3,060,986
	130,946,573	23,526,260	(13,252,785)	(23,420,337)	(110,714,200)	7,085,511
2012 (restated)						
Accumulated impairment losses on accounts receivables (notes 13 and 14)	78,502,541	20,217,279	(33,981)	(15,790,395)	-	82,895,444
Accumulated impairment losses on inventories (note 12)	12,801,233	286,548	-	(8,709,992)	-	4,377,789
Provisions for other liabilities and charges	48,563,051	2,416,109	(8,964,477)	1,658,657	-	43,673,340
	139,866,825	22,919,936	(8,998,458)	(22,841,730)	-	130,946,573

The increase of Provisions and accumulated impairment losses amounting to Euro 23,526,260, includes an amount of Euro 20,307,476 related with discontinued operations and an amount of Euro 3,218,784 of continued operations. The increase of 'Provisions for other liabilities and charges' includes the amount of Euro 946,897 (2012: Euro 632,751) recorded in the profit and loss statement, under the caption 'Income taxation' (note 33), the amount of Euro 275,000 related to the dismantling of sites, as foreseen in IAS 16 - Fixed Assets (note 1.c), the amount of Euro 243,932 recorded in the profit and loss statement in 'Other financial expenses' concerning the update of previous provision to dismantling of sites, and the amount of Euro 44,245 (2012: Euro 48,044) recorded in the profit and loss statement, under the caption 'Gains and losses in associated companies and companies jointly controlled' related to the application of the equity method of SIRS (note 32). Therefore, the total amount recorded in the profit and loss statement corresponding to the increase in the heading 'Provisions and impairment losses', corresponds to Euro 1,708,710.

The decrease of Provisions and accumulated impairment losses amounting to Euro 13,252,785, includes an amount of Euro 11,454,683 related with discontinued operations and an amount of Euro 1,798,102 of continued operations. The decrease in 'Provisions for other liabilities and charges' includes the amount of Euro 1,222,647 registered under the caption 'Income Tax' in Profit and Loss Statement (note 33). Thus, under the caption 'Other operating income' in Profit and Loss statement, was recorded a decrease amounted to Euro 575,455 (note 29).

Therefore, the net amount of provisions and impairment losses of discontinued operations amounts to Euro 8,852,793 (note 37).

The reinforcement and the decrease on 'Accumulated Impairment losses on Inventories' are recorded, on the profit and loss statement, under the caption 'Cost of Sales' (note 1.i)

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.

	2013	2012 (restated - note 1)
Several contingencies	1,781,800	4,338,072
Legal processes in progress	199,151	2,969,849
Dismantling	242,073	13,983,949
Indemnities	240,038	877,890
Other responsibilities	597,925	21,503,580
	3,060,986	43,673,340

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

At 31 December 2013, the value of provisions for the dismantling is recorded at its present value, accordingly with the dates of its utilization (in accordance with IAS 37 - 'Provisions, Contigent Liabilities and Contigent Assets'). The deviation includes the effect of the derecognition of the provisions associated to discontinued operations (note 3.e).

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.r), in the amount of circa Euro 441 thousand (circa 19 million in 2012). The variation is due to the derecognition of provisions related to Optimus Comunicações S.A, Be Artis and Be Towering (note 3.e).

On August 2013, the provisions related to the telecommunications segment were derecognized, following the merger between Optimus SGPS and Zon and were recorded in 'Discontinued operations (note 3.e)', on the column above.



23. Other non-current liabilities

At 31 December 2013 and 2012, the caption 'Other non-current liabilities' is as follows:

	2013	2012
Spectrum for 4th Generation	-	21,602,124
Information Society	-	13,944,247
Medium Term Incentive Plan (note 39)	307,870	262,047
Others	969,434	1,923,362
	1,277,304	37,731,780

At 31 December 2012, the heading 'Spectrum for 4th Generation' refers to the present value of the amount to be paid in the next years resulting from the allocation, to the then subsidiary Optimus, of the frequencies necessary for the development of services form 4th Generation (note 6) and the heading 'Information Society' relates to the Medium and long-term portion, not yet realized, of the estimate for the Company's commitments under the 'Iniciativas E' programme (notes 6, 14 and 27). During the year ended at 31 December 2013, these amounts were desrecognized following the merger between Optimus SGPS and Zon.

The heading 'Others' include the amount of Euro 959,922 (Euro 1,919,016 in 31 December 2012) related to the medium and long term portion to be paid under the acquisition of Connectiv (note 7).

24. Trade creditors

At 31 December 2013 and 2012, this caption had the following composition and maturity plans:

	TOTAL	TILL 90 DAYS	FROM 90 TO 180 DAYS	MORE THAN 180 DAYS
2013				
Suppliers – current account	17,159,275	17,159,275	-	-
Intangible and tangible assets suppliers	1,281,412	1,281,412	-	-
Suppliers – invoices pending approval	3,327,592	3,327,592	-	<u>-</u>
	21,768,279	21,768,279	-	-
2012 (restated - Note 1)				
Suppliers – current account	132,031,968	102,118,360	-	29,913,608
Intangible and tangible assets suppliers	34,185,038	33,185,038	-	1,000,000
Suppliers – invoices pending approval	2,538,668	2,538,668	=	<u> </u>

At 31 December 2012, the caption 'Suppliers - current account' with more than 180 days maturity is related to the dispute between the then subsidiary Optimus - Comunicações, S.A. and, essentially, the operator TMN - Telecomunicações Móveis Nacionais, S.A., in relation to the vagueness of interconnection tariffs of 2001.

At 31 December 2013 and 2012, this caption included balances payable to suppliers resulting from the Group's operations and the acquisition of intangible and tangible assets. The Board of Directors believes that the difference between the fair value of these balances and its book value is not significant.

25. Other current financial liabilities

At 31 December 2013, this caption includes the amount of Euro 70,728 (2012: Euro 3,594,987) related to the short term portion of lease contracts (note 21).



26. Other creditors

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

	2013	2012 (restated - note 1)
State and other public entities	4,285,787	10,550,192
Other creditors	6,153,540	2,142,209
Securitisation of receivables	-	19,952,518
	10,439,327	32,644,919

At 31 December 2013, the caption 'Other creditors' includes an amount of circa Euro 6 million referred to the amount to be paid to Optimus SA, Be Artis and Be Towering in relation to the termination of MTIP contract (note 34).

The liability to other creditors matures as follows:

	TOTAL	TILL 90 DAYS	FROM 90 TO 180 DAYS	MORE THAN 180 DAYS
2013				
Other creditors	6,153,540	6,153,540	-	-
2012 (restated - note 1)				
Other creditors	2,142,209	2,142,209	-	_

The liability to other creditors does not incorporate any interest. The Board of Directors believes that the difference between the fair value of these balances and its book value is not significant.

At 31 December 2013 and 2012, the caption 'State and other public entities' related essentially to taxes payable (Value Added Tax, Corporate Income Tax, Social Security contributions and withholdings of Personal Income Tax) from the following subsidiaries:

	2013	2012 (restated - note 1)
Sonaecom	1,306,526	101,116
Digitmarket	798,710	481,762
WeDo	661,317	425,246
WeDo Brasil	404,056	1,348,121
Público	389,492	408,483
Mainroad	309,035	435,829
Saphety	125,185	168,525
Sonaecom SP	86,568	-
Optimus	-	3,452,751
Be Artis	-	3,121,787
Be Towering	-	222,972
Others	204,898	383,600
	4,285,787	10,550,192

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 11). This operation was coordinated by Deutsche Bank, the future credits having been assigned to TAGUS - Sociedade de Titularização de Créditos, S.A. (TAGUS), which, for this purpose, issued securitised bonds designated 'Magma No. 1 Securitisation Notes', that received from the CMVM (National Securities Market Commission) the legally required alphanumeric code: 200812TGSSONSXXN0031. Future receivables in the necessary amounts required for TAGUS to perform the quarter interest and principal instalment payments due to bondholders, as well as all the other payments due to the other creditors of this transaction, shall be allocated to Optimus - Comunicações, S.A. throughout calendar years 2009/2013, up to a maximum of Euro 213,840,362. 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 December 2013, these amounts were desrecognized following the merger between Optimus SGPS and Zon and the consequent desrecognition of the assets and liabilities of the telecommunications segment (note 3.e).

27. Other current liabilities

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

	2013	2012 (restated - note 1)
Costs:		
Personnel costs	12,145,020	25,807,661
Advertising and promotion	474,495	5,360,216
Medium Term Incentive Plans (note 39)	284,788	272,410
Rappel discounts (annual quantity discounts)	68,810	1,164,820
Tangible and intangible assets	16,273	10,940,733
Invoices to be issued by operators	-	30,053,910
Commissions	-	3,003,415
Information Society	-	640,159
Other costs	3,516,557	4,217,180
Other external suppliers and services	3,002,565	18,301,225
	19,508,508	99,761,729
Deferred income:		
Customer advance payments (note 15)	7,576,081	25,045,532
Other deferred income	622,871	2,613,752
	8,198,952	27,659,284
	27,707,460	127,421,013

At 31 December 2012, the heading 'Tangible and intangible assets' includes Euro 6 million related to the amount payable in the short term, resulting from the allocation, to the then subsidiary Optimus, of the frequencies necessary for the development of services from 4th Generation (note 6). At 31 December 2012, the heading 'Information Society' in the amount of Euro 640,159 relates to the short term portion, not yet realised, of the estimate Company's commitments under the 'Iniciativas E' programme (notes 6, 14 and 23). Still at 31 December 2012, the heading 'Customer advance payments' is associated, mainly, with the recharges of mobile phones and the acquisition of prepaid minutes which were not yet used, by the customers of the then subsidiary Optimus - Comunicações, S.A..

At 31 December 2013, these amounts were desrecognized following the merger between Optimus SGPS and Zon (note 3.e).

28. Sales and services rendered

At 31 December 2013 and 2012, the caption 'Sales and services rendered' was made up as follows:

	2013	2012 (restated - note 1)
Information Systems	99,780,494	84,946,543
Multimedia	17,073,099	19,387,413
Holding Activities	121,159	9,917
	116,974,752	104,343,873

29. Other operating revenues

At 31 December 2013 and 2012, the caption 'Other operating revenues' was made up as follows:

	2013	2012 (restated - note 1)
Supplementary income	717,215	639,249
Reversal of provisions (note 22)	575,455	33,981
Others	2,182,453	1,340,775
	3,475,123	2,014,005

At 31 December 2013, the caption 'Others' include mainly an amount of Euro 1 million referred to amortisation reversion (note 6).

30. External supplies and services

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

	2013	2012 (restated - note 1)
Subcontracts	22,167,907	22,491,208
Rents	5,648,220	6,213,795
Travelling costs	4,692,382	3,856,213
Specialised works	4,086,094	1,947,649
Advertising and promotion	3,212,996	2,804,441
Fees	1,234,019	1,386,398
Communications	767,996	552,378
Energy	641,079	223,931
Commissions	393,871	1,073,148
Maintenance and repairs	311,861	588,967
Others	1,318,007	1,291,307
	44,474,432	42,429,435

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

	2013	2012 (restated - note 1)
Minimum payments of operational leases:		
2013	-	2,720,394
2014	3,509,263	1,723,995
2015	2,958,484	1,119,436
2016	2,342,694	501,918
2017 onwards	3,006,741	223,440
Renewable by periods of one year	920,113	1,458,427
	12,737,295	7,747,610

During the year ended at 31 December 2013, an amount of Euro 4,802,731 was recorded in the heading 'External supplies and services' related with operational leasing rents, recorded in 'Rents'.



31. Other operating costs

At 31 December 2013 and 2012, the caption 'Other operating costs' was made up as follows:

	2013	2012 (restated - note 1)
Taxes	136,723	133,897
Others	146,334	152,185
	283,057	286,082

32. Financial results

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

	2013	2012 (restated - note 1)
Financial results in associated companies and companies jointly controlled		
Gains and losses in associated companies and companies jointly controlled (note 8)	(490,365)	32,858
	(490,365)	32,858
Gains and losses on financial assets at fair value through profit or loss		
Gains on financial assets at fair value through profit or loss (note 9)	46,636,719	-
	46,636,719	-
Financial expenses:		
Interest expenses:	(10,512,011)	(13,710,405)
Bank loans	(9,900,712)	(13,290,647)
Leasing	(5,851)	(3,399)
Other interests	(605,448)	(416,359)
Foreign exchange losses	(851,055)	(2,123,416)
Other financial expenses	(635,694)	(676,927)
	(11,998,760)	(16,510,748)
Financial income:		
Interest income	7,423,125	1,318,279
Foreign exchange gains	537,553	1,197,681
Others financial gains	16,482	44,905
	7,977,160	2,560,865

During the years ended at 31 December 2013 and 2012, the caption 'Financial income: Interest income' includes, mainly, interests earned on treasury applications. At 31 December 2013 includes also the amount of Euro 4,674,111 received from Unitel, following the disposal of the shareholder loans to be received from Zopt to this entity (note 3.e).

33. Income taxation

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

	2013	2012 (restated - note 1)
Current tax	(3,353,668)	(2,949,987)
Tax provision net of reduction (note 22)	275,750	(632,751)
Deferred tax assets (note 11)	795,415	(30,786)
Deferred tax liabilities (note 11)	189	3,606,259
	(3,873,144)	(7,265)

34. Related parties

During the years ended at 31 December 2013 and 2012, the balances and transactions maintained with related parties were mainly associated with the normal operational activity of the Group 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 years ended at 31 December 2012 and 2013 were as follows:

			BALANCES A	AT 31 DECEMBER 2013
	Accounts receivable (notes 13 and 14)	Accounts payable (notes 24 and 26)	Treasury applications (note 16)	Other assets / (liabilities)
Holding company				
Sonae SGPS	49,924	-	-	(31,198)
Other related companies				
Artis	1,939,686	2,963,167	-	(391,071)
Modelo Continente Hipermercados, S.A.	325,466	61,513	-	(292,299)
Optimus	1,264,110	3,681,010	-	(51,959)
Raso Viagens	20,039	322,234	-	(8,227)
SC-Sociedade de Consultadoria	351,089	-	-	(173,685)
Sierra Portugal	553,453	3,811	-	295,038
Sonae Indústria PCDM	142,558	-	-	-
Sonae Investments BV	-	-	-	-
Sonaecenter II	1,649,702	106,217	-	(697,310)
Worten	33,210	(867)	-	-
Zon Optimus	10,203,626	-	-	(1,943,340)
	16,532,863	7,137,085	-	(3,294,051)

BALANCES AT 31 DECEMBER 20				AT 31 DECEMBER 2012
	Accounts receivable (notes 13 and 14)	Accounts payable (notes 24 and 26)	Treasury applications (note 16)	Other assets / (liabilities)
Holding company				
Sonae SGPS	14,290	47,256	=	3,026
Other related companies				
Modelo Continente Hipermercados, S.A.	936,530	437,381	=	43,538
Raso Viagens	58,025	207,980	=	30,131
SC-Sociedade de Consultadoria	157,358	(396)	=	(169,905)
Sierra Portugal	1,172,738	123,435	=	181,310
Sonae Indústria PCDM	388,471	-	=	28,155
Sonae Investments BV	=	-	16,810,000	2,029
Sonaecenter II	1,529,445	32,050	=	(360,514)
Worten	3,228,368	571,551	=	(1,074,423)
France Telecom	1,906,520	3,645,753		(3,728,782)
	9,391,744	5,065,010	16,810,000	(5,045,435)



			TRANSACTIONS AT	31 DECEMBER 2013
	Sales and services rendered (note 28)	Supplies and services received (note 30)	Interest and similar income / (expense) (note 32)	Supplementary income (note 29)
Holding company				
Sonae SGPS	212	48,600	685,345	-
Subsidiaries				
Infosystems	129,948	165,012	-	(266,424)
Unipress	196,192	582,202	-	57,000
Other related companies				
Be Artis	3,728,001	290,298	-	28,800
MDS	595,298	1,122	-	-
Modelo Continente Hipermercados, S.A.	835,657	347,542	-	144,948
Optimus	1,089,183	1,035,463	-	40,185
Raso Viagens	136,223	1,368,354	-	10,151
SC-Sociedade de Consultadoria	1,332,782	-	-	-
Sierra Portugal	5,370,033	16,294	-	-
Sonae Indústria PCDM	1,056,895	-	-	-
Sonae Investments BV	-	-	6,606	-
Sonaecenter II	8,266,354	685,977	-	-
Zon Optimus	-	(526,753)	17,520,021	-
	22,606,831	3,849,101	18,211,972	281,084

		TR	ANSACTIONS AT 31 DECEM	MBER 2012 (restated)
	Sales and services rendered (note 28)	Supplies and services received (note 30)	Interest and similar income / (expense) (note 32)	Supplementary income (note 29)
Holding company				
Sonae SGPS	20,932	52,756	274,803	-
Subsidiaries				
Infosystems	-	426,609	-	-
Unipress	72,847	683,506	=	-
Other related companies				
MDS	659,430	118,131	=	-
Modelo Continente Hipermercados, S.A.	4,238,875	1,228,275	=	334,191
Raso Viagens	434,283	1,970,933	=	-
SC-Sociedade de Consultadoria	1,335,587	(274)	-	413
Sierra Portugal	6,835,654	733,080	-	(49)
Sonae Indústria PCDM	33	(5,150)	=	-
Sonae Investments BV	=	-	819,392	-
Sonaecenter II	9,200,803	686,001	-	-
	22,798,444	5,893,867	1,094,195	334,555

During 2012, the Group signed an agreement with Sonae SGPS, under which Sonae compromise to transfer to employees and board members of Sonaecom, Sonaecom shares, at the price of 1.184 euros, until 2016, as requested by Sonaecom and under the MTIP of Sonaecom. Under this contract, Sonaecom paid to Sonae SGPS, SA the amount of Euro 3,291,520. During the year ended at 31 December 2013, Sonaecom partially anticipated the maturity of the contract, receiving the amount of Euro 4,444,207.

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 years ended at 31 December 2013 and 2012, no impairment losses referring to account receivables from related parties were recognised. A complete list of the Sonaecom Group's related parties is presented in the appendix to this report.

35. Guarantees provided to third parties

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

COMPANY	BENEFICIARY	DESCRIPTION	2013	2012
Sonaecom e Público	Direção de Contribuições e Impostos (Portuguese tax authorities)	VAT Reimbursements	5,955,731	5,955,731
WeDo	Espiríto Santo Bank	Bank loan (note 20)	5,534,407	5,784,826
Optimus, Sontária, Sonaecom e Público	Direção de Contribuições e Impostos (Portuguese tax authorities)	IRC, IS, IVA, RF – Tax assessment	2,714,853	8,481,387
We Do e WeDo Egipto	Digi Tecommunications; Emirates Telecom. Corp.; Group Etisalat; Scotia Leasing Panama; Pak Telecom Mobile	Completion of work to be done	1,101,201	1,153,110
We Do, Saphety e Digitmarket	IAPMEI	'HERMES' project and 'Vlue4cuopons' project - QREN	392,707	417,797
Optimus	ICP - ANACOM	Acquisition of Spectrum for 4th generation	-	30,000,000
Optimus	Câmara Municipal de Barcelos, Chaves, Coimbra, Elvas, Lisboa, Mealhada, Oei- ras e Sintra (Barcelos, Chaves, Coimbra, Elvas, Lisboa, Mealhada, Oeiras and Sintra Municipalities)	Completion of work to be done	-	87,476
Several	Others		336,175	1,259,767
			16,035,074	53,140,094
	<u> </u>	•		

The deviation occurred between both years in guarantees provided to third parties is related with the amounts of the telecommunications segment, that are not in the final balance at 31 December 2013 following the merger between Optimus SGPS and Zon (note 3.e).

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 10,529,619.

At 31 December 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.

36. Information by business segment

Following the classification of the Telecomunications segment as an discontinued operation (note 3.e), were identified for the years ended at 31 December 2013 and 2012 the following business segments:

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



These segments were indentified 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 regulary 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 IFRS7).

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 years ended at 31 December 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.

During the year ended at 31 December 2013, the segment of telecommunications was classified as a discontinued operation, as a result of a merger, by the incorporation of Optimus SGPS in Zon (note 3.e). As set forth by IFRS 5, changes were made in the consolidated profit and loss statements for the year ended at 31 December 2012, in order to disclose a single amount in profit and loss statements related to net income/(loss) of discontinued operations (note 37).

Overall information by business segment at 31 December 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:

	TELECOMM	TELECOMMUNICATIONS		MULTIMEDIA	INFORMATI	DRMATION SYSTEMS	HOLDIN	HOLDING ACTIVITIES		SUBTOTAL		ELIMINATIONS		TOTAL
	December 2013	Dec 2012 (restated - note 1)	December 2013	dec 2012 (restated - note 1)	December 2013	December 2012 (restated -								
Revenues: Sales and services rendered	٠	1	18,764,151	20,935,753	109,572,472	103,824,565	2,627,835	3,492,234	130,964,458	128,252,552	(13,989,706)	(23,908,679)	116,974,752	104,343,873
Beversal of provisions	•	•	764 495	15673		33 981	706		575 455	49 604			575 455	49 604
Other operating revenues	•		502,453	363,727	2,433,525	1,438,517	113,177	31,204	3,049,155	1,833,448	(149,487)	130,953	2,899,668	1,964,401
Total revenues			19,531,099	21,315,103	112,316,251	105,297,063	2,741,718	3,523,438	134,589,068	130,135,604	(14,139,193)	(23,777,726)	120,449,875	106,357,878
Depreciation and amortisation			(917,499)	(1,123,819)	(5,106,050)	(5,413,406)	(65,561)	(68,403)	(6,089,110)	(6,605,628)	(552,682)	(7,537,862)	(6,641,792)	(14,143,490)
Provisions and impairment losses	ı	•		(125,209)	(1,611,941)	(1,116,162)	(692'96)	(15,388)	(1,708,710)	(1,256,759)			(1,708,710)	(1,256,759)
Net operating income / (loss) for the segment	•	1	(2,193,158)	(8,252,987)	9,254,014	6,635,503	(1,881,454)	(1,009,256)	5,179,402	(2,626,740)	(5,908,785)	(16,622,749)	(729,383)	(19,249,489)
Interest income	1	ı	29,877	54,700	447,735	169,225	24,475,792	14,880,982	24,953,404	15,104,907	(17,530,279)	(13,786,628)	7,423,125	1,318,279
Interest expenses	ı	1	(458,690)	(429,913)	(1,131,548)	(1,111,693)	(10,397,251)	(13,717,752)	(11,987,489)	(15,259,358)	1,475,478	1,548,952	(10,512,012)	(13,710,406)
Gains and losses on financial assets at fair value through profit or loss	1	1	ı	1	1	1	46,636,719	1	46,636,719	ı	ı	ı	46,636,719	ı
Gains and losses in associated companies	1	ı	•	ı	ı	1	(167,099,143)	(363,149)	(167,099,143)	(363,149)	166,608,778	396,007	(490,365)	32,858
Other financial results	1	ı	(127,680)	3,865	(500,004)	(1,087,127)	19,609,992	113,605,995	18,982,308	112,522,733	(19,915,021)	(114,080,489)	(932,713)	(1,557,756)
Income taxation	•	ı	634,284	2,166,025	(3,007,102)	(2,820,487)	(1,508,562)	81,892	(3,881,380)	(572,570)	8,236	565,305	(3,873,144)	(7,265)
Consolidated net income/(loss) for the year excluding discontinued operations	1	1	(2,115,367)	(6,458,310)	5,062,627	1,785,421	(90,163,907)	113,478,711	(87,166,147)	108,805,822	124,688,374	(141,979,601)	37,522,227	(33,173,779)
Consolidated net income/(loss) for the year of discontinued operations	66,244,220	85,673,820	1	1		1		1	66,244,220	85,673,820	1	22,932,008	66,244,220	108,605,828
Attributable to:														
Shareholders of parent company	66,244,220	85,673,820	(2,115,367)	(6,458,310)	5,130,163	1,778,682	(90,113,407)	113,478,711	(87,098,611)	108,799,083	190,937,090	(33,379,706)	103,838,479	75,419,377
Non-controlling interests	1	1		1	(67,536)	6,739		1	(67,536)	6,739	(4,496)	5,955	(72,032)	12,672
Assets: Tangible and intangible assets and goodwill	ı	1,514,851,098	3,987,720	3,957,923	78,022,279	76,653,543	59,802	305,814	82,069,801	80,917,280	(31,458,027)	1,397,553,278	50,611,774	1,478,470,558
Inventories	•	13,034,702	441,970	615,150	150,670	201,885	•		592,640	817,035	(39,115)	12,985,114	553,525	13,802,149
Financial investments	•	•	112,954	209,829	878,981	1,504,296	645,721,486	1,048,336,476	646,713,421	1,050,050,601	63,836,312	(1,048,885,196)	710,549,733	1,165,405
Other non-current assets	•	97,647,755	3,570	3,570	5,528,461	5,892,325	178,906,506	530,961,790	184,438,537	536,857,685	(178,316,217)	(433,300,244)	6,122,320	103,557,441
Other current assets of the segment	•	231,930,799	7,260,077	8,116,215	53,757,378	53,329,425	409,899,824	136,461,502	470,917,279	197,907,142	(214,146,831)	103,969,422	256,770,448	301,876,564
Liabilities:														
Liabilities of the segment		810,003,305	15,777,829	16,428,857	72,566,030	76,285,566	37,284,768	379,422,086	125,628,627	472,136,509	(35,338,009)	343,492,607	90,290,618	815,629,116
CAPEX	'	130,088,691	974,574	956,495	7,266,233	14,935,082	15,285,975	21,765,914	23,526,782	37,657,491	(15,237,180)	(21,861,923)	8,289,602	15,795,568

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

	MULTIMEDIA	INFORMATION SYSTEMS	HOLDING ACTIVITIES
2013			
Telecommunications	46,858	9,754,292	2,077,959
Multimedia	-	81,878	140,814
Information Systems	294	-	287,903
Holding Activities	2,400	5,687	-
External trade debtors	18,714,599	99,730,615	121,159
	18,764,151	109,572,472	2,627,835
2012 (restated - note 1)			
Telecommunications	-	18,779,380	3,038,639
Multimedia	-	104,654	145,875
Information Systems	15,257	=	297,803
Holding Activities	4,800	2,366	-
External trade debtors	20,915,696	84,938,165	9,917
	20,935,753	103,824,565	3,492,234

During the years ended at 31 December 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 Multimedia and Activities Holding.

During the year ended at 31 December 2013, also for the Information Systems segment the Portuguese market is dominant, accounting for 54.1% of revenue (55% in 2012) followed by the Brazilian and American markets, representing 7.4% and 6.1% of revenue (7.4% and 8.3% in 2012), respectively.



The financial statements of Zon Optimus at 31 December 2013 and 2012 incorporated in the consolidated financial statements of Sonaecom through ZOPT by the equity method (Notes 3.e and 8), can be summarized as follows:

Condensed consolidated balance sheets

(Amounts expressed in thousands of euro)	DECEMBER 2013	DECEMBER 2012 (restated)
Assets		
Tangible assets	1,096,823	618,238
Intangible assets	1,111,107	323,621
Deferred tax assets	165,416	52,193
Other non-current assets	61,143	80,438
Non-current assets	2,434,489	1,074,490
Trade debtors	276,630	119,147
Cash and cash equivalents	74,380	273,179
Other current assets	103,831	83,768
Current assets	454,841	476,094
Total assets	2,889,330	1,550,584
Liabilities		
Medium and long-term loans – net of short-term portion	928,239	711,994
Provisions for other liabilities and charges	92,429	29,951
Other non-current liabilities	46,221	14,924
Non-current liabilities	1,066,889	756,869
Short-term loans and other loans	213,431	295,328
Trade creditors	296,823	158,133
Other current liabilities	251,974	120,846
Current liabilities	762,228	574,307
Total liabilities	1,829,117	1,331,175
Shareholders' funds excluding non-controlling interests	1,050,598	210,013
Non-controlling interests	9,615	9,396
Total Shareholders' funds	1,060,213	219,409
Total Shareholders' funds and liabilities	2,889,330	1,550,584

Condensed consolidated statements of income by nature

(Amounts expressed in thousands of euro)	DECEMBER 2013	DECEMBER 2012 (restated)
Total revenue	990,259	787,133
Costs and losses		
Direct costs and External supplies and services	(413,817)	(325,822)
Depreciation and amortisation	(243,070)	(204,119)
Other operating costs	(258,744)	(156,481)
	(915,631)	(686,422)
Financial results	(46,936)	(41,044)
Income taxation	(16,433)	(19,303)
Consolidated net income/(loss) for the year	11,259	40,363
Consolidated net income/(loss) for the year attributed to non-controlling interests	449	869
Attributed to shareholders of parent company	10,810	39,494

37. Discontinued operations

The net income (loss) for the year of discontinued operations are detailed as follows:

	_	
NET INCOME/(LOSS) FOR THE YEAR OF DISCONTINUED OPERATIONS	27 AUGUST 2013	31 DECEMBER 2012
Sales	18,822,654	32,785,358
Services rendered	440,084,032	686,747,563
Other operating revenues	6,045,835	7,455,913
	464,952,521	726,988,834
Cost of sales	(21,479,154)	(42,773,825)
External supplies and services	(229,074,114)	(350,484,270)
Staff expenses	(30,726,186)	(47,881,618)
Depreciation and amortisation	(93,347,815)	(138,799,420)
Provisions and impairment losses	(8,852,793)	(20,695,835)
Other operating costs	(9,723,657)	(14,580,133)
	(393,203,719)	(615,215,101)
Other financial expenses	(2,092,284)	(4,173,624)
Other financial income	2,697,674	4,108,199
Current income / (loss)	72,354,192	111,708,308
Income taxation	2,839,693	(3,102,480)
	75,193,885	108,605,828
Gain/(Loss) resulting from the disposal (note 3.e)	(8,949,665)	-
Net income/(loss) for the year of discontinued operations	66,244,220	108,605,828

The net income/(loss) from discontinued operations in column of 27 August 2013 consists on net income generated by companies associated with the telecommunications segment until the date of merger of Optimus SGPS with Zon (note 3.e) in the amount of EUR 75,193,885 and loss calculated with the operation in the amount of Euro 8,949,665.

38. Earnings per share

Earnings per share, basic and diluted, are calculated by dividing the consolidated net income attributable to the Group (Euro 103,838,479 in 2013 and Euro 75,419,377 in 2012) by the average number of shares outstanding during the years ended at 31 December 2013 and 2012, net of own shares (360,941,333 in 2013 and 359,390,746 in 2012).

39. 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, during that period.

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

		VESTING PERIO			DECEMBER 2013
	Share price at award date*	Award date	Vesting date	Aggregate number of	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	44	477,778
2011 Plan	1.256	09-mar-12	10-mar-15	45	540,805
2012 Plan	1.505	08-mar-13	10-mar-16	46	406,903
Sonae SGPS shares					
2009 Plan	0.761	10-mar-10	08-mar-13	-	-
2010 Plan	0.811	10-mar-11	10-mar-14	2	214,640
2011 Plan	0.401	09-mar-12	10-mar-15	2	419,985
2012 Plan	0.701	08-mar-13	10-mar-16	2	163,966

^{*} 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.

^{**} Plan partially vested in advance, in 27 December 2012.

During the year ended at 31 December 2013, the movements that occurred in the plans can be summarised as follows:

		SONAECOM SHARES		SONAECOM 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 year:				
Awarded	346	2,335,126	7	359,443
Vested	(4)	(247,423)	(4)	(342,242)
Companies excluded from consolidation	(946)	(6,898,655)	(12)	(410,509)
Cancelled / elapsed / corrected / transfers (1)	8	(13,140)	(3)	(296,353)
Outstanding at 31 December 2013:				
Unvested	135	1,425,486	6	798,591
Total	135	1,425,486	6	798,591

⁽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, the Group entered into hedging contracts with external entities and the liabilities are calculated based on the prices agreed in those contracts. The detail of the aforementioned hedging contracts is as follows:

		S	ONAE SGPS SHARES	SONAECOM SHARES	TOTAL
	2010 Plan	2011 Plan	2012 Plan	2011 Plan	
Notional value	257,574	323,727	268,451	492,439	1,342,190
Maturity	mar-14	mar-15	mar-16	dez-16	
Level of inputs in the hierarchy of fair value		Level 2			
Valuation method		Current rep	lacement cost		
Fair value*	174,734	490,711	125,071	634,672	1,425,188

^{*} Used the share price of 31 December 2013 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 December 2013, were as follows:

	SONAECOM SHARES	SONAE SGPS SHARES	ZON OPTIMUS SGPS SHARES	TOTAL
Costs recognised in previous years	31,655,399	4,213,815	129,532	35,998,746
Costs recognised in the year	2,833,805	201,963	149,987	3,185,755
Companies excluded from consolidation	(4,886,747)	(104,976)	-	(4,991,723)
Costs of plans vested in previous years	(28,024,748)	(3,788,762)	-	(31,813,510)
Costs of plans vested in the year	(493,653)	(258,747)	-	(752,400)
Total cost of the plans	1,084,056	263,293	279,519	1,626,868
Responsability of plans	1,718,728	1,053,809	279,519	3,052,056
Fair value of hedging contracts	(634,672)	(790,516)	-	(1,425,188)
Recorded in 'Cash ans cash equivalents' (1)	-	-	(43,048)	(43,048)
Recorded in 'Other current liabilities' (note 27)	2,846	126,218	155,724	284,788
Recorded in 'Other non-current liabilities' (note 23)	3,952	137,075	166,843	307,870
Recorded in reserves	1,077,258	-	-	1,077,258

⁽¹⁾ Sonaecom partially vested in advance the hedging contract with Sonae SGPS, recieving an amount equal to the market value of Sonaecom shares.

In 27August 2013, part of the Sonaecom and Sonae SGPS plans outstanding were converted to Zon Optimus plans. The conversion of the Sonaecom plans was made according to the merger ratio, but the conversion of Sonae SGPS plans was made according to the fair value of the shares. This decision was duly approved by the Board Nominations and Remunerations Committee. The cost of Zon Optimus plans was recognized until 30 September 2013, date on which Zon Optimus started to take responsibility for them. The responsibility of these plans was calculated based on share price of 30 September 2013 and was recorded under the headings of 'Other current liabilities' and 'Other non-current liabilities'.

40. Remuneration attributed to the key management personnel

During 2013 and 2012, the remunerations paid to Directors and other members of key management in functions at the years ended 31 December 2013 and 2012 (19 managers in 2013 and 2012) were as follows:

	2013	2012
Short-term employee benefits*	1,716,252	3,194,563
Share-based payments*	462.820	825,843
	2,170,305	4,020,406

^{*} In 2013, remuneration for key management personal transferred to ZON OPTIMUS has not been considered following the merger between Optimus SGPS and Zon.

The short-term employee benefits, which include the salary and performance bonus, were calculated on an accruals basis. The share-based payments for 2013 and 2012 correspond to the value of the Medium Term Incentive Plan and will be awarded in 2014, in respect of performance during 2013 (and the Medium Term Incentive Plan awarded in 2013 in respect of performance during 2012, for the 2012 amounts), whose shares, or the cash equivalent, will be delivered in March 2017 and March 2016, respectively. Full details on the Group remuneration policy are disclosed in the Corporate Governance Report.

41. Fees of Statutory Auditor

In 2013 and 2012, the Group paid, in respect of fees, to the Statutory Auditor of the Group, Deloitte, and its network of companies, the following amounts:

	2013	2012
Statutory audit	110,974	171,699
Other guarantee and reliability services	10,000	34,000
Tax Advice	14,747	47,785
Other consulting	1,250	-
Total	136,971	253,484

The reduction on Fees of Statutory Auditor is related with the desconsideration of telecommunication companies following the merger between Optimus SGPS and Zon (note 3.e).

42. Average number of employees

During the years ended at 31 December 2013 and 2012, the companies included in the consolidation employed an average number of 912 and 877, respectively (excluding the companies included in discontinued operations). At 31 December 2013, the number of employees was 924.

43. Other matters

On 29 October 2013, Sonaecom has announced to make a voluntary tender offer for the acquisition of a maximum of 88,479,803 shares representing 24.16% of its own share capital. This transaction takes place after the merger of Optimus SGPS, S.A. and Zon Multimédia, SGPS, S.A., of which resulted Zon Optimus SGPS, S.A., in which Sonaecom, as a previous Optimus shareholder, became thereinafter the direct holder of 37,489,324 shares representing 7.28% of the share capital and voting rights of Zon Optimus and the indirect joint holder of 50.01% of the share capital and voting rights in Zon Optimus, through the 50% equity holding in Zopt, SGPS, S.A.

Sonaecom has the intention to accordingly give the option to its shareholders to sell, in equal standing conditions, their Sonaecom shares for consideration of the directly held 37,489,324 Zon Optimus shares, which are not necessary to the pursuit of Sonaecom's business purposes, thereby enabling direct exposure of Sonaecom shareholders to Zon Optimus, the reference asset of Sonaecom portfolio.

Sonaecom offers an overall price equivalent to Euro 2.45 per Sonaecom share, to be composed of Zon Optimus shares and, where applicable, a remaining cash amount, which represents a premium, per Sonaecom share, of circa: 10% over Sonaecom share closing price at 28 October 2013 and over the average weighted closing price of the last 30 days; 24% by reference to the last 90 days average weighted closing price of Sonaecom share; and 17% in relation to Sonaecom share average target price of Euro 2.10. For determining the Sonaecom/Zon Optimus share trade ratio, it was taken into consideration Zon Optimus share average weighed closing price of the last 5 trading days, which was that of Euro 5.08 per Zon Optimus share.

44. Subsequent events

On 23 and 24 January 2014, under terms previously authorized by the Portuguese Securities Market Commission, CMVM, Sonae -SGPS, S.A. (Sonae) acquired over the counter 1,454,134 Sonaecom shares from Sonaecom directors and related parties.

The consideration of this acquisition was determined and settled on 20 February 2014, the date of calculation of the results of the tender offer, by the same amount paid to the shareholders who accepted the offer. Following this transaction, Sonae became the direct holder of 78,133,508 shares and the indirect holder of 194,063,119 shares, giving Sonae a total participation of 272,196,627 Sonaecom shares.

On 5 February 2014, Sonaecom made public the decision to launch a general and voluntary tender offer for the acquisition of shares representing the share capital of Sonaecom.

The offer was general and voluntary, with the offerer obliged to acquire all the shares that were the object of the offer and were, until the end of the respective period, subject to valid acceptance by the recipients.

The period of the offer, during which sales orders were received, ran for two weeks, beginning on 6 February and ending on 19 February 2014.

On 20 February 2014, the results of the offer were released. The level of acceptance reached 62%, corresponding to 54,906,831 Sonaecom shares. During the year 2014 Sonaecom will thus reduce its share capital in circa EUR 136 million. Euronext announced Sonaecom exclusion from the PSI-20 from 24 February 2014.

The physical and financial settlement of the offer occurred on 25 February 2014, being the consideration of the offer composed by 26,476,792 ZON OPTIMUS shares and 19,631 euros in cash.

Following the offer, Sonaecom became the holder of 11,012,532 ZON OPTIMUS shares, corresponding to 2.14% of the company's share capital.

On 28 February 2014, Goldman Sachs Inc. informed Sonaecom about the reduction of its qualifying holding on 25 February 2014 from 2.12% to 0.79% of its share capital, corresponding to 2,881,353 shares and voting rights.

Sonae-SGPS, S.A. informed Sonaecom on the acquisition, from 24 february to 7 march 2014, of shares representing the share capital and voting rights of Sonaecom. After the completion of this transaction, Sonae is the direct holder of 79,097,818 shares of Sonaecom, and the 194.063.119 voting rights corresponding to the shares held by its subsidiary Sonae Investiments, B.V. will continue to be attributable to it.

These consolidated financial statements were approved by the Board of Directors on 10 March 2014.

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 Ângelo Gabriel Ribeirinho dos Santos Paupério António Bernardo Aranha da Gama Lobo Xavier

António de Sampaio e Mello David Charles Denholm Hobley David Graham Shenton Bain

Duarte Paulo Teixeira de Azevedo

Franck Emmanuel Dangeard
Gervais Gilles Pellissier

Jean-François René Pontal

Maria Cláudia Teixeira de Azevedo

Miguel Nuno Santos Almeida

Pedro Rafael de Sousa Nunes Pedro

Rui José Silva Goncalves Paiva

KEY MANAGEMENT PERSONNEL - SONAE SGPS

Álvaro Carmona e Costa Portela

Álvaro Cuervo Garcia

Belmiro de Azevedo

Bernd Hubert Joachim Bothe

Christine Cross

José Manuel Neves Adelino

Michel Marie Bon

SONAE/EFANOR/ZON GROUP COMPANIES

3DO Holding GmbH

3shoppings – Holding,SGPS, S.A. 8ª Avenida Centro Comercial, SA

ADD Avaliações Engenharia de Avaliações e Perícias Ltda

Adlands B.V. Aegean Park, S.A.

Agepan Eiweiler Management GmbH Agepan Flooring Products, S.A.RL Agloma Investimentos, Sgps, S.A. Águas Furtadas Sociedade Agrícola, SA

Airone – Shopping Center, Srl

ALBCC Albufeirashopping C.Comercial SA

ALEXA Administration GmbH ALEXA Asset GmbH & Co KG ALEXA Holding GmbH

ALEXA Shopping Centre GmbH

Algarveshopping – Centro Comercial, S.A.

Alpêssego – Soc. Agrícola, S.A Andar – Sociedade Imobiliária, S.A.

Apor - Agência para a Modernização do Porto

Aqualuz – Turismo e Lazer, Lda

Arat inmebles, S.A.

ARP Alverca Retail Park,SA

Arrábidashopping – Centro Comercial, S.A.

Aserraderos de Cuellar, S.A.

Atlantic Ferries - Tráf.Loc, Flu.e Marít, S.A.

Avenida M – 40 B.V. Avenida M – 40, S.A. BA Capital, SGPS, SA

 $BB\ Food\ Service, S.A.$

Be Artis-C.C.G.R.C., S.A.

Be Towering-Gestão Torres Telecomunicações

Beralands BV

Bertimóvel – Sociedade Imobiliária, S.A.

BHW Beeskow Holzwerkstoffe

Big Picture 2 Films, S.A.

Bloco Q – Sociedade Imobiliária, S.A. Bloco W – Sociedade Imobiliária, S.A. Boavista Shopping Centre BV

BOM MOMENTO – Comércio Retalhista, SA Caixanet – Telecomunicações e Telemática, S.A.

Canal 20 TV, S.A.

Canasta – Empreendimentos Imobiliários, S.A.

Casa Agrícola de Ambrães, S.A.

Casa da Ribeira – Hotelaria e Turismo, S.A. Cascaishopping – Centro Comercial, S.A. Cascaishopping Holding I, SGPS, S.A.

CCCB Caldas da Rainha - Centro Comercial,SA
Centro Colombo – Centro Comercial, S.A.
Centro Residencial da Maia,Urban., S.A.
Centro Vasco da Gama – Centro Comercial, S.A.

Change, SGPS, S.A.

Chão Verde - Soc.Gestora Imobiliária, S.A.

Cinclus Imobiliária, S.A.

Citorres – Sociedade Imobiliária, S.A.
Coimbrashopping – Centro Comercial, S.A.

Azulino Imobiliária, S.A.

BA Business Angels, SGPS, SA

Contacto Concessões, SGPS, S.A.

Contibomba – Comérc. Distr. Combustiveis, S.A.

Contimobe - Imobil.Castelo Paiva, S.A. Continente Hipermercados, S.A. Contry Club da Maia-Imobiliaria, S.A. Cooper Gay Swett & Crawford Lt

Craiova Mall BV

Cronosaúde - Gestão Hospitalar, S.A. Cumulativa - Sociedade Imobiliária, S.A.

Darbo S.A.S

Deutsche Industrieholz GmbH

Discovery Sports, SA

Distodo - Distribuição e Logística, Lda. ("Distodo")

Dortmund Tower GmbH

Dos Mares – Shopping Centre B.V. Dos Mares - Shopping Centre, S.A. Dreamia - Serviços de Televisão, S.A.

Dreamia Holding B.V.

Ecociclo - Energia e Ambiente, S.A.

Ecociclo II

Efanor Investimentos, SGPS, S.A. Efanor Serviços de Apoio à Gestão, S.A.

El Rosal Shopping, S.A. Emfísico Boavista

Empracine - Empresa Promotora de Atividades Cinematográficas, Lda.

Empreend.Imob.Quinta da Azenha, S.A.

Equador & Mendes, Lda

Espimaia - Sociedade Imobiliária, S.A. Estação Viana - Centro Comercial, S.A. Euroresinas - Indústrias Quimicas, S.A.

Farmácia Selecção, S.A. Fashion Division Canárias, SL Fashion Division, S.A. Filmes Mundáfrica, SARL (a)

FINSTAR - Sociedade de Investimentos e Participações, S.A.

Fozimo - Sociedade Imobiliária, S.A. Fozmassimo – Sociedade Imobiliária, S.A. Freccia Rossa - Shopping Centre S.r.l. Frieengineering International Ltda Fundo de Invest. Imobiliário Imosede

Fundo I.I. Parque Dom Pedro Shop.Center

Colombo Towers Holding, BV

Companhia de Pesca e Comércio de Angola (Cosal), SARL (a)

Gaiashopping II – Centro Comercial, S.A.

GHP Gmbh

Gli Orsi Shopping Centre 1 Srl

Glunz AG

Glunz Service GmbH Glunz UK Holdings Ltd Glunz Uka Gmbh GMET, ACE

Golf Time - Golfe e Invest. Turísticos, S.A.

Grafilme - Sociedade Impressora de Legendas, Lda. (a)

Guimarãeshopping - Centro Comercial, S.A.

Harvey Dos Iberica, S.L.

Herco Consultoria de Riscos e Corretora de Seguros Ltda

HighDome PCC Limited Iberian Assets, S.A.

Igimo - Sociedade Imobiliária, S.A. Iginha - Sociedade Imobiliária, S.A. Imoareia - Invest. Turísticos, SGPS, S.A.

Imobiliária da Cacela, S.A.

Imoclub – Serviços Imobilários, S.A. Imoconti - Soc.Imobiliária, S.A. Imodivor – Sociedade Imobiliária, S.A. Imoestrutura – Soc.Imobiliária, S.A. Imoferro – Soc.Imobiliária, S.A. Imohotel – Emp. Turist. Imobiliários, S.A.

Imomuro – Sociedade Imobiliária, S.A. Imopenínsula - Sociedade Imobiliária, S.A. Imoplamac Gestão de Imóveis, S.A. Imoponte – Soc.Imobiliaria, S.A. Imoresort – Sociedade Imobiliária, S.A. Imoresultado - Soc.Imobiliaria, S.A. Imosedas - Imobiliária e Seviços, S.A. Imosistema – Sociedade Imobiliária, S.A.

Imosonae II

Impaper Europe GmbH & Co. KG Implantação - Imobiliária, S.A. Infofield - Informática, S.A.

Infratroia, EM

Inparsa – Gestão Galeria Comercial, S.A.

Inparvi SGPS, S.A. Integrum - Energia, SA

Fundo Invest.Imob.Shopp. Parque D.Pedro Gaiashopping I – Centro Comercial, S.A. Integrum Vale do Tejo – Energia, SA

Interlog - SGPS, S.A.

Invesaude - Gestão Hospitalar S.A.

Ioannina Development of Shopping Centres, SA

Isoroy SAS

La Farga – Shopping Center, SL Laminate Park GmbH Co. KG

Land Retail B.V.

Larim Corretora de Resseguros Ltda Larissa Develop. Of Shopping Centers, 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.

Lusitânia - Companhia de Seguros, S.A ("Lusitânia Seguros")

Lusitânia Vida - Companhia de Seguros, S.A ("Lusitânia Vida")

Lusomundo - Sociedade de investimentos imobiliários SGPS, SA

Lusomundo España, SL Lusomundo Imobiliária 2, S.A. Lusomundo Moçambique, Lda. 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

 $\mathsf{MDS}\,\mathsf{SGPS},\mathsf{SA}$

MDSAUTO - Mediação de Seguros, SA

Megantic BV

Integrum Colombo Energia, S.A.

Integrum Martim Longo - Energia, S.A.

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

MSTAR, SA

Mundo Vip - Operadores Turisticos, 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.

Optimus-Comunicações SA
OSB Deustchland 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
PER-MAR-Soc. De Construção, SA

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.

MJLF - Empreendimentos Imobiliários, S.A. Mlearning - Mds Knowledge Centre, Unip, Lda

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 - Edificios 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 Proj.Sierra Italy 3 - Shop. Centre Srl Proj.Sierra Italy 5 - Dev. Of Sh.C.Srl

Project SC 1 BV

Project SC 2 BV Project Sierra 2 B.V. Project Sierra 6 BV

Project Sierra 7 BV

Project Sierra 8 BV Project Sierra 9 BV

Project Sierra Brazil 1 B.V. Project Sierra Charagionis 1 S.A. Project Sierra Four, SA

Project Sierra Germany Shop. Center 1 BV

Project Sierra Germany Shop. Center 2 BV

Project Sierra Spain 1 B.V.

Project Sierra Spain 2 - Centro Comer. S.A.

Project Sierra Spain 2 B.V.

Project Sierra Spain 3 - Centro Comer. S.A.

Project Sierra Spain 3 B.V. Project Sierra Spain 6 B.V. Project Sierra Spain 7 B.V. Project Sierra Three Srl

Project Sierra Two Srl Promessa Sociedade Imobiliária, S.A. Prosa - Produtos e serviços agrícolas, S.A. Plaza Mayor Holding, SGPS, SA

Plaza Mayor Parque de Ócio BV Puravida – Viagens e Turismo, S.A. Racionaliz. y Manufact.Florestales, S.A.

RASO - Viagens e Turismo, S.A.

RASO, SGPS, S.A.

Reval-PM Marketing and Consultant, Inc

Rio Sul – Centro Comercial, S.A.

River Plaza Mall, Srl River Plaza, BV

Rochester Real Estate, Limited RSI Corretora de Seguros Ltda

S.C. Microcom Doi Srl

Saúde Atlântica – Gestão Hospitalar, S.A.

SC - Consultadoria, S.A.

SC - Eng. e promoção imobiliária, SGPS, S.A.

SC Aegean B.V. SC Assets SGPS, S.A. SC Finance BV

SC Mediterraneum Cosmos B.V.

SC, SGPS, SA SCS Beheer, BV

SDSR - Sports Division 2, S.A.

Selfrio, SGPS, S.A.

Selifa - Empreendimentos Imobiliários, S.A. Sempre à Mão - Sociedade Imobiliária, S.A.

Sempre a Postos – Produtos Alimentares e Utilidades, Lda

Serra Shopping - Centro Comercial, S.A. Sesagest – Proj.Gestão Imobiliária, S.A. Sete e Meio – Invest. Consultadoria, S.A. Sete e Meio Herdades – Inv. Agr. e Tur., S.A. Shopping Centre Parque Principado B.V.

Shopping Penha B.V.

Siaf – Soc.Iniciat.Aprov.Florestais - Energia, S.A.

SIAL Participações Ltda Sierra Asia Limited

Sierra Asset Management - Gest. Activos, S.A.

Sierra Berlin Holding BV Sierra Central S.A.S

Sierra Charagionis Develop.Sh. Centre S.A. Sierra Charagionis Propert. Management S.A. Sierra Corporate Services Holland, BV Sierra Development Greece, S.A. Sierra Developments Germany GmbH Sierra Developments Holding B.V.

SOLSWIM-Gestão e Expl.Equip.Aquáticos,SA

Soltroia - Imob.de Urb.Turismo de Tróia, S.A.

SONAE - Specialized Retail, SGPS, SA

Somit Imobiliária

SONAE/EFANOR/ZON GROUP COMPANIES Sierra Developments Italy S.r.l. Sonae Capital Brasil, Lda Sierra Developments Romania, Srl Sonae Capital, SGPS, S.A. Sierra Developments Spain – Prom.C.Com.SL Sonae Center II S.A. Sierra Developments, SGPS, S.A. Sonae Center Serviços, S.A. Sierra Enplanta Ltda Sonae Ind., Prod. e Com.Deriv.Madeira, S.A. Sierra European R.R.E. Assets Hold. B.V. Sonae Indústria - SGPS, S.A. Sierra GP Limited Sonae Industria de Revestimentos, S.A. Sierra Investimentos Brasil Ltda Sonae Indústria Manag. Serv, SA Sierra Investments (Holland) 1 B.V. Sonae Investimentos, SGPS, SA Sierra Investments (Holland) 2 B.V. Sonae Novobord (PTY) Ltd Sierra Investments Holding B.V. Sonae RE, S.A. Sierra Investments SGPS, S.A. Sonae Retalho Espana - Servicios Gen., S.A. Sierra Italy Holding B.V. Sonae SGPS, S.A. Sierra Management Germany GmbH Sonae Sierra Brasil S.A. Sierra Management Italy S.r.l. Sonae Sierra Brazil B.V. Sierra Management Romania, Srl Sonae Sierra, SGPS, S.A. Sierra Management Spain - Gestión C.Com.S.A. Sonae Tafibra Benelux, BV Sierra Management, SGPS, S.A. Sonae Turismo - SGPS, S.A. Sierra Portugal, S.A. Sonae UK, Ltd. Sierra Project Nürnberg B.V. Sonaegest – Soc.Gest.Fundos Investimentos SONAEMC - Modelo Continente, SGPS, S.A. Sierra Real Estate Greece B.V. Sierra Services Holland 2 B.V Sondis Imobiliária, S.A. Sierra Zenata Project B.V. SONTÁRIA- Empreend. Imobil., SA SII – Soberana Invest. Imobiliários, S.A. Sontel BV SISTAVAC. S.A. Sontur BV SKK - Central de Distr., S.A. Sonvecap BV SKK SRL Sopair, S.A. SKKFOR - Ser. For. e Desen. de Recursos Sotáqua - Soc. de Empreendimentos Turist Sociedade de Construções do Chile, S.A. Spanboard Products, Ltd Société de Tranchage Isoroy S.A.S. SPF - Sierra Portugal Real Estate, Sarl Socijofra – Sociedade Imobiliária, S.A. Spinarq - Engenharia, Energia e Ambiente, SA Sociloures – Soc.Imobiliária, S.A. Spinveste – Gestão Imobiliária SGII, S.A. Soconstrução BV Spinveste - Promoção Imobiliária, S.A. Sodesa, S.A Sport Retalho España – Servicios Gen., S.A. Soflorin, BV Sport TV Portugal, S.A. Soira - Soc.Imobiliária de Ramalde, S.A. Sport Zone - Comércio Art.Desporto, S.A. Solinca - Eventos e Catering, SA Sport Zone - Turquia Solinca - Health and Fitness, SA Sport Zone Canárias, SL Solinca - Investimentos Turísticos, S.A. Sport Zone España-Com.Art.de Deporte,SA Solinfitness - Club Malaga, S.L. Spred, SGPS, SA Solingen Shopping Center GmbH Stinnes Holz GmbH

Tableros Tradema, S.L.

Tafibra Polska Sp.z.o.o.

Tafibra South Africa

Tafiber, Tableros de Fibras Ibéricas, SL

Tafibra Suisse, SA

Tafisa – Tableros de Fibras, S.A.

Tafisa Canadá Societé en Commandite

Tafisa France, S.A.

Tafisa UK, Ltd

Taiber, Tableros Aglomerados Ibéricos, SL

Tarkett Agepan Laminate Flooring SCS

Tecmasa Reciclados de Andalucia, SL

Teliz Holding B.V.

Têxtil do Marco, S.A.

TLANTIC B.V.

Tlantic Portugal - Sist. de Informação, S.A.

Tlantic Sistemas de Informação Ltdª

Tool Gmbh

Torre Ocidente Imobiliária, S.A.

Torre São Gabriel - Imobiliária, S.A.

TP – Sociedade Térmica, S.A.

Troia Market, S.A.

Tróia Natura, S.A.

Troiaresort – Investimentos Turísticos, S.A.

Troiaverde - Expl.Hoteleira Imob., S.A.

Tulipamar – Expl.Hoteleira Imob., S.A.

Turismo da Samba (Tusal), SARL (a)

Unishopping Administradora Ltda.

Unishopping Consultoria Imob. Ltda.

Upstar Comunicações S.A.

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

ZON Audiovisuais, SGPS S.A.

ZON Cinemas, SGPS S.A.

ZON Conteúdos - Actividade de Televisão e de Produção de Conteúdos, S.A.

ZON FINANCE B.V.

ZON II - Serviços de Televisão S.A. (a)

ZON III - Comunicações electrónicas S.A. (a)

ZON Lusomundo Audiovisuais, S.A.

ZON Lusomundo Cinemas , S.A.

ZON Lusomundo TV. Lda.

ZON Multimédia - Serviços de Telecomunicações e Multimédia, SGPS, S.A.

ZON Televisão por Cabo, SGPS, S.A.

ZON TV Cabo Açoreana, S.A.

ZON TV Cabo Madeirense, S.A.

ZON TV Cabo Portugal, S.A.

ZOPT, SGPS, S.A.

Zubiarte Inversiones Inmobiliarias, S.A.

ZYEVOLUTION-Invest.Desenv.,SA.



6.3. Sonaecom individual financial statements

Balance sheets

For the years ended at 31 December 2013 and 2012 $\,$

Assets Non-current assets Rangelije assets 1,a,1 and 2 52,700 296,504 Intragible assets 1,a,1 and 2 52,700 296,504 Intragible assets 1,b and 3 7,092 9,310 Investments in Group companies 1,b and 3 7,092 9,310 Investments in Group companies 1,d and 5 565,80,286 1,072,840,096 Investments in Group companies 1,d and 3 7,092 9,310 Investments in Group companies 1,d and 3 7,092 9,310 Investments in Group companies 1,d and 3 7,092 9,310 Investments in Group companies 1,d and 3 57,575,546 52,124,1792 7,000 Other comment assets 1,d and 3 7,000,220 7,000,000 7 Financial assets at fair value through profit or loss 1,e, 4, and 7 202,442,550 1,011,5242 Other current abelities 1,e, 4, 1,d and 25 1,552,330 10,152,422 1,000,712,1414 Total assets 1,e, 1,d, 4, 1,d and 25 1,248,681,768 1,752,122,1059 1,752,122,1059<				
Non-current assets 1a.1f and 2 52,710 296,504 Irangble assets 1 b and 3 7092 9,310 Investments in Group companies 1 c and 5 66,502,085 1072,878,0906 Investments in joint ventures 1 d and 6 597,666,944 25,000 Other non-current assets 1 d,1n,4,8 and 25 175,735,246 521,421,792 Total non-current assets 840,042,278 1594,600,702 Current assets 1 e, 4 and 7 202,442,350 - Other current debtors 1 e, 1 e, 4 and 7 202,442,350 - Other current assets 1 e, 1 e, 4 and 7 202,442,350 - Cash and cash equivalents 1 e, 1 e, 4 and 7 202,442,350 10115,242 Other current assets 1 e, 1 e, 4 and 7 202,442,350 10115,242 Other current assets 1 e, 1 e, 4 and 7 202,442,350 10115,242 Other current assets 1 e, 1 e, 4 and 7 202,442,350 1015,71414 Total assets 1 e, 1 e, 4 and 7 202,606,809 102,714,144 Total assets 2 e, 2 e, 2 e	(Amounts expressed in euro)	NOTES	DECEMBER 2013	DECEMBER 2012
Tangible assets 1a.1 fand2 52,710 296,504 Intengible assets 1b and 3 7,092 9,30 Investments in Group companies 1c and 5 66,580,286 1072,848,096 Investments in Group companies 1c and 5 66,580,286 207,284,096 Other non-current assets 1d.1n.4,8 and 25 175,735,246 521,421,792 Total non-current assets 1c.1n.4,4 and 25 175,735,246 521,421,792 Total non-current assets 1c.1g.4,10 and 25 19,763,330 10115,242 Other current debtors 1c.1g.4,10 and 25 19,763,330 10115,242 Other current debtors 1c.1g.4,10 and 25 19,763,330 10115,242 Other current debtors 1c.1g.4,10 and 25 19,563,330 10115,242 Other current debtors 1c.1g.4,11 and 25 185,918,581 103,71746 Total saves 1c.2g.4g.6g.7g.7g.8g.8g.8g.8g.8g.8g.8g.8g.8g.8g.8g.8g.8g	Assets			
intangible assets 1b and 3 7092 9,310 Investments in Group companies 1c and 5 66,580,286 1,072,848,096 Investments in joint ventures 1d and 6 597,666,944 55,000 Other non-current assets 1d,1n,4,8 and 25 175,755,246 521,421,792 Total non-current assets 480,042,278 1594,600,702 Current assets 1e,4 and 7 202,442,350 - Other current debtors 1e,1 a, 4,1 and 25 19,763,330 10,152,42 Other current debtors 1e,1 a, 4,1 and 25 152,293 31,587,503 Other current assets 1e,1 h, 4,1 and 25 185,918,581 10,371,144 Total current assets 408,639,490 11,752,025 10,248,681,688 10,371,144 Total current assets 1,248,681,688 366,246,888 366,246,888 366,246,888 366,246,888 366,246,888 366,246,888 366,246,888 366,246,888 366,246,888 366,246,888 366,246,888 366,246,888 366,246,888 366,246,888 366,246,888 366,246,888 366,246,888 366,246,888	Non-current assets			
investments in Group companies 1 c and 5 66,580,286 1072,848,096 Investments in joint ventures 1 d and 6 597,666,944 25,000 Other on-current assets 1 d, 1 n, 4, 8 and 25 175,735,246 521,421,792 Total non-current assets 4 0, 1 n, 4, 8 and 25 175,735,246 521,421,792 Financial assets at fair value through profit or loss 1 e, 4 and 7 202,442,350 - Other current assets at fair value through profit or loss 1 e, 1 g, 4, 10 and 25 19,763,330 10,115,242 Other current assets 1 e, 1 n, 4, 11 and 25 515,229 3,687638 Cash and cash equivalents 1 e, 1 h, 4, 12 and 25 185,918,581 103,717,414 Total assets 4 08,639,990 1175,202,95 Starte-holder funds and liabilities 3 566,246,868 366,246,868 Own shares 1 q and 14 (8,441,804) (6,299,699) Reserves 1 q and 14 (8,441,804) (6,299,699) Reserves funds 1 q and 14 (8,441,804) (6,299,699) Reserves funds 1 q and 14 (8,441,804) (6,299,699) <td>Tangible assets</td> <td>1.a, 1.f and 2</td> <td>52,710</td> <td>296,504</td>	Tangible assets	1.a, 1.f and 2	52,710	296,504
Investments in joint ventures 1 d and 6 \$97,666,944 25,000 Other non-current assets 1 d, 1n, 4, 8 and 25 175,735,246 521,421,792 Total non-current assets 840,042,278 1594,600,702 Current assets 840,042,278 1594,600,702 Current assets 1,e, 4 and 75 202,442,350	Intangible assets	1.b and 3	7,092	9,310
Other non-current assets 1d, 1n, 4, 8 and 25 175,735,246 521,421,792 Total non-current assets 840,042,278 1,594,600,702 Current assets Financial assets at fair value through profit or loss 1e, 1e, 4, 40 and 25 19,763,330 10,115,242 Other current debtors 1e, 1n, 4, 11 and 25 155,5229 3,687,633 Cash and cash equivalents 1e, 1n, 4, 12 and 25 185,918,581 10,77,7414 Total current assets 408,639,490 117,520,295 Total assets 1, 248,681,768 17,121,20,997 Shareholder funds and liabilities 1, 248,681,768 17,121,20,997 Share capital 13 366,246,868 366,246,868 Share capital 13 366,246,868 360,246,868 Share capital 13 366,246,868 370,193,067 Net income / (loss) for the year 19 928,723,768 870,193,067 Net income / (loss) for the year 19,926,723,768 870,193,067 Total Shareholders' funds 1,11,40,and 25 20,003,496 190,239,650 Medium and long-term	Investments in Group companies	1.c and 5	66,580,286	1,072,848,096
Total non-current assets 840,042,278 1,594,500,702 Current assets 1 64,4 and 7 202,442,350 - Other current debtors 1,e,1,g,4,10 and 25 19,763,330 10,115,242 Other current debtors 1,e,1,4,11 and 25 515,229 3,687,633 Cash and cash equivalents 1,e,1,4,12 and 25 185,918,581 103,717,414 Total assets 406,633,490 1175,20,295 Total assets 1,248,681,768 1712,120,997 Shareholder' funds and liabilities 3 366,246,868 366,246,868 Share capital 1 3 366,246,868 366,246,868 Own shares 1 3 366,246,868 367,0153,067 Net income / (loss) for the year 1 92,87,257,68 370,193,067 Net income / (loss) for the year 1 92,872,57,68 370,193,067 Net income / (loss) for the year 1 1,95,959,449 1,333,370,07 Libilities 1 1,95,959,449 1,333,370,07 Libilities 1 1,95,959,449 1,95,	Investments in joint ventures	1.d and 6	597,666,944	25,000
Current assets Financial assets at fair value through profit or loss 1e, 4 and 7 202,442,350 - Other current debtors 1e, 1g, 4, 10 and 25 19,763,330 10,115,242 Other current assets 1e, 1n, 4, 11 and 25 15,5229 3,687,639 Cash and cash equivalents 1e, 1h, 4, 12 and 25 185,918,581 103,717,414 Total current assets 408,639,490 1175,202,95 Total assets 1,248,681,768 1,712,120,997 Shareholders funds and liabilities 366,246,868 366,246,868 Share capital 13 366,246,868 366,246,868 Own shares 1q and 14 (8,441,804) (6,299,699) Reserves 1p 928,723,768 870,193,067 Net income / (loss) for the year (90,593,333) 103,229,835 Total Shareholders' funds 1,195,959,449 1,333,370,071 Liabilities 1,100,4116 332,469 190,239,630 Provisions for other liabilities and charges 1,1,1,4,15,a and 25 20,003,496 190,239,630 Other rourent liabilities <t< td=""><td>Other non-current assets</td><td>1.d, 1.n, 4, 8 and 25</td><td>175,735,246</td><td>521,421,792</td></t<>	Other non-current assets	1.d, 1.n, 4, 8 and 25	175,735,246	521,421,792
Financial assets at fair value through profit or loss 1e, 4 and 7 202,442,350 1-01,242 Other current debtors 1e, 1g, 4, 10 and 25 19,763,330 10,115,242 Other current assets 1e, 1n, 4, 11 and 25 515,229 3,687639 Cash and cash equivalents 1e, 1h, 4, 12 and 25 185,918,581 103,717,414 Total current assets 408,639,490 117,520,295 Total sasts 1,248,681,768 17,212,10997 Shareholder's funds and liabilities 8 13 366,246,868 366,246,868 Share capital 13 366,246,868 366,246,868 366,246,868 870,193,067 9,289,723,768 870,193,067 9,699,999 9,899,999	Total non-current assets		840,042,278	1,594,600,702
Other current debtors 1e, 1g, 4, 10 and 25 19,763,330 10,115,242 Other current assets 1e, 1n, 4, 11 and 25 515,229 3,687639 Cash and cash equivalents 1e, 1h, 4, 12 and 25 185,918,581 103,717,414 Total current assets 408,639,490 117,520,295 Total assets 1,248,681,768 17,12,120,997 Shareholder's funds and liabilities 5 5 Share capital 13 366,246,868 366,246,868 Own shares 1q and 14 (8,41,804) (6,299,699) Reserves 1p 928,723,768 870,193,067 Net income / (loss) for the year (90,569,383) 103,229,855 Total Shareholders' funds 1,195,959,449 1,333,370,071 Liabilities 1,195,959,449 1,333,370,071 Liabilities 20,003,496 190,239,630 Provisions for other liabilities and charges 11,10 and 16 332,469 190,239,630 Provisions for other liabilities 10,11,4 and 17 370,948 174,176 Total rent liabilities 20,706,913 <t< td=""><td>Current assets</td><td></td><td></td><td></td></t<>	Current assets			
Other current assets 1e, 1n, 4, 11 and 25 515,229 3,687639 Cash and cash equivalents 1e, 1h, 4, 12 and 25 185,918,581 103,717,414 Total current assets 408,639,490 17,520,295 Total assets 1,248,681,768 7,721,210,997 Share holder's funds 5 5 Share capital 13 366,246,868 366,246,868 Own shares 1q and 14 (8,441,804) (6,299,699) Reserves 1p 928,723,768 870,193,067 Net income/ (loss) for the year (90,569,383) 103,229,835 Total Shareholders' funds 1,195,959,449 1,333,370,071 Libilities 1,195,959,449 1,333,370,071 Wedium and long-term loans – net of short-term portion 11,15,41,5a and 25 20,003,496 190,239,630 Provisions for other liabilities 1,1,14 and 17 370,948 174,176 Other non-current liabilities 20,003,496 174,176 Total on-current liabilities 20,003,496 174,176 Total on-current liabilities 20,003,496 174,176 <td>Financial assets at fair value through profit or loss</td> <td>1.e, 4 and 7</td> <td>202,442,350</td> <td>-</td>	Financial assets at fair value through profit or loss	1.e, 4 and 7	202,442,350	-
Cash and cash equivalents 1e,1h,4,12 and 25 185,918,581 103,717,414 Total current assets 408,639,490 17,520,295 Total assets 1,248,681,768 7,121,20,997 Shareholder' funds and liabilities 5 1,248,681,768 7,121,20,997 Share capital 13 366,246,868 366,246,868 Own shares 1q and 14 (8,441,804) (6,299,699) Reserves 1p 928,723,768 870,193,067 Net income/ (loss) for the year (90,569,383) 103,229,835 Total Shareholders' funds 1,195,959,449 1,333,370,07 Liabilities Nor-current liabilities 20,003,496 190,239,630 Provisions for other liabilities and charges 11,1,2 and 25 20,003,496 190,239,630 Other nor-current liabilities and charges 11,1,1 and 16 332,469 74,959 Other nor-current liabilities 20,706,913 190,488,765 Current liabilities 20,706,913 190,488,765 Current liabilities 21,660,813 186,419,026 Other creditors 4,18	Other current debtors	1.e, 1.g, 4, 10 and 25	19,763,330	10,115,242
Total current assets 408,639,490 17,520,295 Total assets 1,248,681,768 1,712,120,997 Shareholder' funds and liabilities Shareholder's funds Share capital 13 366,246,868 366,246,868 Own shares 1 q and 14 (8,441,804) (6,299,699) Reserves 1p 928,723,768 870,193,067 Net income / (loss) for the year (90,569,383) 103,229,835 Total Shareholders' funds 1,195,959,449 1,333,370,071 Liabilities Non-current liabilities 20,003,496 190,239,630 Provisions for other liabilities and charges 11,10 and 16 332,469 74,959 Other non-current liabilities 1n,1t,4 and 17 370,948 174,176 Total non-current liabilities 20,706,913 190,488,765 Current liabilities 1h,1t,1j,4,15b 21,660,813 186,419,026 Current liabilities 4,18 and 25 7,308,273 828,261 Other creditors 4,18 and 25 7,308,273 828,261 Other creditors 4,18 and 25	Other current assets	1.e, 1.n, 4, 11 and 25	515,229	3,687,639
Total assets 1,248,681,768 1,712,120,997 Shareholder' funds and liabilities 5 5 Share capital 13 366,246,868 366,246,868 Own shares 1,q and 14 (8,441,804) (6,299,699) Reserves 1,p 928,723,768 870,193,067 Net income / (loss) for the year (90,569,383) 103,229,835 Total Shareholders' funds 1,195,959,449 1,333,370,071 Liabilities Non-current liabilities 20,003,496 190,239,630 Provisions for other liabilities and charges 1,1,1,4,15,a and 25 20,003,496 190,239,630 Provisions for other liabilities and charges 1,1,1,0 and 16 332,469 7,4959 Other non-current liabilities 1,1,1,4 and 17 370,948 17,476 Total non-current liabilities 20,706,913 190,488,765 Current liabilities 20,706,913 186,419,026 Other creditors 4,18 and 25 7,308,273 828,261 Other current liabilities 1,1,14,19 and 25 3,046,320 1,014,874 Total current lia	Cash and cash equivalents	1.e, 1.h, 4, 12 and 25	185,918,581	103,717,414
Shareholder' funds and liabilities Shareholders' funds 13 366,246,868 366,246,868 Share capital 13 366,246,868 366,246,868 Own shares 1,9 and 14 (8,441,804) (6,299,699) Reserves 1,p 928,723,768 870,193,067 Net income / (loss) for the year (90,569,383) 103,229,835 Total Shareholders' funds 1,195,959,449 1,333,370,071 Liabilities Non-current liabilities Medium and long-term loans – net of short-term portion 1,1,1,4,15.a and 25 20,003,496 190,239,630 Provisions for other liabilities and charges 11,10 and 16 332,469 74,959 Other non-current liabilities 20,706,913 190,488,765 Current liabilities Short-term loans and other loans 1,1,1,1,4,15,b 21,660,813 186,419,026 Other creditors 4,18 and 25 7,308,273 828,261 Other current liabilities 1,1,1,4,19 and 25 3,046,320 1014,874 Total current liabilities 1,2,15,406 1,215,406 1,215,406<	Total current assets		408,639,490	117,520,295
Shareholders' funds Share capital 13 366,246,868 366,246,868 Own shares 1 q and 14 (8,441,804) (6,299,699) Reserves 1 p 928,723,768 870,193,067 Net income / (loss) for the year (90,569,383) 103,229,835 Total Shareholders' funds 1,195,959,449 1,333,370,07 Liabilities Non-current liabilities Medium and long-term loans - net of short-term portion 11,15,4,15a and 25 20,003,496 190,239,630 Provisions for other liabilities and charges 11,10 and 16 332,469 74,959 Other non-current liabilities 20,706,913 190,488,765 Current liabilities 20,706,913 190,488,765 Current liabilities 32,006,913 186,419,026 Other creditors 4,18 and 25 7,308,273 828,261 Other creditors 4,18 and 25 7,308,273 828,261 Other current liabilities 1n,1t,4,19 and 25 3,046,320 1,014,874 Total current liabilities 1n,1t,4,19 and 25 3,046,320 1,014,874	Total assets		1,248,681,768	1,712,120,997
Share capital 13 366,246,868 366,246,868 Own shares 1.q and 14 (8,441,804) (6,299,699) Reserves 1.p 928,723,768 870,193,067 Net income / (loss) for the year (90,569,383) 103,229,835 Total Shareholders' funds 1,195,959,449 1,333,370,071 Liabilities Medium and long-term loans – net of short-term portion 1,1,1,4,15,a and 25 20,003,496 190,239,630 Provisions for other liabilities and charges 11,10 and 16 332,469 74,959 Other non-current liabilities 1,n,1,4 and 17 370,948 174,176 Total non-current liabilities 20,706,913 190,488,765 Current liabilities Short-term loans and other loans 1,1,1,1,4,15,4,15,4,15,4,15,4,15,4,15,4	Shareholder' funds and liabilities			
Own shares 1 q and 14 (8,441,804) (6,299,699) Reserves 1 p 928,723,768 870,193,067 Net income / (loss) for the year (90,569,383) 103,229,835 Total Shareholders' funds 1,195,959,449 1,333,370,071 Liabilities Non-current liabilities 8 Medium and long-term loans – net of short-term portion 1i,1j,4,15a and 25 20,003,496 190,239,630 Provisions for other liabilities and charges 1l,1o and 16 332,469 74,959 Other non-current liabilities 20,706,913 190,488,765 Total non-current liabilities 1h,1i,1j,4,15b 21,660,813 186,419,026 Current liabilities 1,18 and 25 7,308,273 828,261 Other creditors 4,18 and 25 7,308,273 828,261 Other current liabilities 1,1,1,4,19 and 25 3,046,320 1,014,874 Total current liabilities 3,2,015,406 188,262,161	Shareholders' funds			
Reserves 1p 928,723,768 870,193,067 Net income / (loss) for the year (90,569,383) 103,229,835 Total Shareholders' funds 1,195,959,449 1,333,370,071 Liabilities Non-current liabilities Medium and long-term loans – net of short-term portion 1i,1j,4,15a and 25 20,003,496 190,239,630 Provisions for other liabilities and charges 1l,10 and 16 332,469 74,959 Other non-current liabilities 1n,1t,4 and 17 370,948 174,176 Total non-current liabilities 20,706,913 190,488,765 Current liabilities 1h,1i,1j,4,15b 21,660,813 186,419,026 Other creditors 4,18 and 25 7,308,273 828,261 Other current liabilities 1n,1t,4,19 and 25 3,046,320 1,014,874 Total current liabilities 1,82,62,161 3,046,320 1,014,874	Share capital	13	366,246,868	366,246,868
Net income / (loss) for the year (90,569,383) 103,229,835 Total Shareholders' funds 1,195,959,449 1,333,370,071 Liabilities Non-current liabilities Medium and long-term loans – net of short-term portion 1i,1j,4,15a and 25 20,003,496 190,239,630 Provisions for other liabilities and charges 1l,1o and 16 332,469 74,959 Other non-current liabilities 20,706,913 190,488,765 Current liabilities Short-term loans and other loans 1h,1i,1j,4,15b 21,660,813 186,419,026 Other creditors 4,18 and 25 7,308,273 828,261 Other current liabilities 1n,1t,4,19 and 25 3,046,320 1,014,874 Total current liabilities 32,015,406 188,262,161	Own shares	1.q and 14	(8,441,804)	(6,299,699)
Total Shareholders' funds 1,195,959,449 1,333,370,071 Liabilities Non-current liabilities Medium and long-term loans – net of short-term portion 1,i,1,j,4,15.a and 25 20,003,496 190,239,630 Provisions for other liabilities and charges 11,10 and 16 332,469 74,959 Other non-current liabilities 1,n,1t,4 and 17 370,948 174,176 Total non-current liabilities 20,706,913 190,488,765 Current liabilities 1,1,1,1,4,15.b and 25 21,660,813 186,419,026 Other creditors 4,18 and 25 7,308,273 828,261 Other current liabilities 1,n,1t,4,19 and 25 3,046,320 1,014,874 Total current liabilities 32,015,406 188,262,161	Reserves	1.p	928,723,768	870,193,067
Liabilities Non-current liabilities Medium and long-term loans – net of short-term portion 1.i, 1, 4, 15.a and 25 20,003,496 190,239,630 Provisions for other liabilities and charges 1.l, 1.o and 16 332,469 74,959 Other non-current liabilities 1.n, 1.t, 4 and 17 370,948 174,176 Total non-current liabilities 20,706,913 190,488,765 Current liabilities 1.h, 1.i, 1, 4, 15.b and 25 and 25 21,660,813 and 26 186,419,026 Other creditors 4, 18 and 25 7,308,273 828,261 Other current liabilities 1.n, 1.t, 4, 19 and 25 3,046,320 1,014,874 Total current liabilities 32,015,406 188,262,161	Net income / (loss) for the year		(90,569,383)	103,229,835
Non-current liabilities Medium and long-term loans – net of short-term portion 1.i, 1j, 4, 15.a and 25 20,003,496 190,239,630 Provisions for other liabilities and charges 1.l, 1o and 16 332,469 74,959 Other non-current liabilities 1.n, 1.t, 4 and 17 370,948 174,176 Total non-current liabilities 20,706,913 190,488,765 Current liabilities Short-term loans and other loans 1.h, 1.i, 1j, 4, 15.b, and 25 and 25 21,660,813 186,419,026 Other creditors 4, 18 and 25 7,308,273 828,261 Other current liabilities 1.n, 1.t, 4, 19 and 25 3,046,320 1,014,874 Total current liabilities 32,015,406 188,262,161	Total Shareholders' funds		1,195,959,449	1,333,370,071
Medium and long-term loans – net of short-term portion 1.i, 1.j, 4, 15.a and 25 20,003,496 190,239,630 Provisions for other liabilities and charges 1.l, 1.o and 16 332,469 74,959 Other non-current liabilities 1.n, 1.t, 4 and 17 370,948 174,176 Total non-current liabilities 20,706,913 190,488,765 Current liabilities 1.h, 1.i, 1.j, 4, 15.b and 25 21,660,813 186,419,026 Other creditors 4, 18 and 25 7,308,273 828,261 Other current liabilities 1.n, 1.t, 4, 19 and 25 3,046,320 1,014,874 Total current liabilities 32,015,406 188,262,161	Liabilities			
Provisions for other liabilities and charges 1.1, 1.0 and 16 332,469 74,959 Other non-current liabilities 1.n, 1.t, 4 and 17 370,948 174,176 Total non-current liabilities 20,706,913 190,488,765 Current liabilities 1.h, 1.i, 1, 4,15.b and 25 21,660,813 186,419,026 Other creditors 4, 18 and 25 7,308,273 828,261 Other current liabilities 1.n, 1.t, 4, 19 and 25 3,046,320 1,014,874 Total current liabilities 32,015,406 188,262,161	Non-current liabilities			
Other non-current liabilities 1.n, 1.t, 4 and 17 370,948 174,176 Total non-current liabilities 20,706,913 190,488,765 Current liabilities Short-term loans and other loans 1.h, 1.i, 1.j, 4,15.b and 25 21,660,813 186,419,026 Other creditors 4, 18 and 25 7,308,273 828,261 Other current liabilities 1.n, 1.t, 4, 19 and 25 3,046,320 1,014,874 Total current liabilities 32,015,406 188,262,161	Medium and long-term loans – net of short-term portion	1.i, 1.j, 4, 15.a and 25	20,003,496	190,239,630
Total non-current liabilities 20,706,913 190,488,765 Current liabilities 1h, 1i, 1j, 4, 15.b and 25 21,660,813 186,419,026 Other creditors 4, 18 and 25 7,308,273 828,261 Other current liabilities 1n, 1t, 4, 19 and 25 3,046,320 1,014,874 Total current liabilities 32,015,406 188,262,161	Provisions for other liabilities and charges	1.l, 1.o and 16	332,469	74,959
Current liabilities Short-term loans and other loans 1.h, 1.i, 1j, 4, 15.b and 25 21,660,813 186,419,026 Other creditors 4, 18 and 25 7,308,273 828,261 Other current liabilities 1.n, 1.t, 4, 19 and 25 3,046,320 1,014,874 Total current liabilities 32,015,406 188,262,161	Other non-current liabilities	1.n, 1.t, 4 and 17	370,948	174,176
Short-term loans and other loans 1.h, 1.i, 1.j, 4, 15.b and 25 21,660,813 186,419,026 Other creditors 4, 18 and 25 7,308,273 828,261 Other current liabilities 1.n, 1.t, 4, 19 and 25 3,046,320 1,014,874 Total current liabilities 32,015,406 188,262,161	Total non-current liabilities		20,706,913	190,488,765
and 25 Other creditors 4, 18 and 25 7,308,273 828,261 Other current liabilities 1.n, 1.t, 4, 19 and 25 3,046,320 1,014,874 Total current liabilities 32,015,406 188,262,161	Current liabilities			
Other current liabilities 1.n, 1.t, 4, 19 and 25 3,046,320 1,014,874 Total current liabilities 32,015,406 188,262,161	Short-term loans and other loans		21,660,813	186,419,026
Total current liabilities 32,015,406 188,262,161	Other creditors	4, 18 and 25	7,308,273	828,261
	Other current liabilities	1.n, 1.t, 4, 19 and 25	3,046,320	1,014,874
Total Shareholders' funds and liabilities 1,248,681,768 1,712,120,997	Total current liabilities		32,015,406	188,262,161
	Total Shareholders' funds and liabilities		1,248,681,768	1,712,120,997

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

The Chief Accountant

Ricardo André Fraga Costa

The Board of Directors

Duarte Paulo Teixeira de Azevedo Ângelo Gabriel Ribeirinho Paupério António Bernardo Aranha da Gama Lobo Xavier Frank Emmanuel Dangeard

Miguel Nuno Santos Almeida António Sampaio e Mello David Charles Denholm Hobley Gervais Gilles Pellissier

Profit and Loss account by nature

For the years and quarters ended at 31 December 2013 and 2012

(Amounts expressed in euro)	NOTES	DECEMBER 2013	SEPTEMBER TO DECEMBER 2013 (not audited)	DECEMBER 2012	SEPTEMBER TO DECEMBER 2012 (not audited)
Services rendered	20 and 25	2,627,835	155,898	3,492,234	606,905
Other operating revenues	21 and 25	113,879	30,301	319	-
		2,741,714	186,199	3,492,553	606,905
External supplies and services	1.f, 22 and 25	(2,142,911)	(467,398)	(2,044,286)	(613,122)
Staff expenses	1.t, 28 and 30	(2,307,890)	(467,002)	(2,248,401)	(503,192)
Depreciation and amortisation	1.a, 1.b, 2 and 3	(65,561)	(13,346)	(68,403)	(17,227)
Provisions and impairment losses	1.I and 16	(90,138)	2,416	(15,387)	-
Other operating costs		(39,962)	(9,905)	(56,689)	(21,255)
		(4,646,462)	(955,235)	(4,433,166)	(1,154,796)
Gains and losses on Group companies	5 and 23	(147,101,781)	(2,858,138)	103,388,419	10,270,291
Gains and losses on financial assets at fair value through profit or loss	5, 7 and 23	46,636,719	37,489,326	-	-
Other financial expenses	1.c, 1.i, 1.j, 1.r, 1.s, 15 and 23	(11,211,267)	(508,249)	(14,238,054)	(3,578,832)
Other financial income	1.r, 8, 11 and 23	24,502,045	1,297,759	14,938,191	6,519,301
Current income / (loss)		(89,079,032)	34,651,662	103,147,943	12,662,869
Income taxation	1.m, 9 and 24	(1,490,351)	(181,033)	81,892	(551,686)
Net income / (loss) for the year		(90,569,383)	34,470,629	103,229,835	12,111,183
Earnings per share	27				
Including discontinued operations:					
Basic		(0.25)	0.10	0.29	0.03
Diluted		(0.25)	0.10	0.29	0.03
Excluding discontinued operations:					
Basic		(0.25)	0.10	0.29	0.03
Diluted		(0.25)	0.10	0.29	0.03

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

The Chief Accountant

Ricardo André Fraga Costa

The Board of Directors

Duarte Paulo Teixeira de Azevedo Ângelo Gabriel Ribeirinho Paupério António Bernardo Aranha da Gama Lobo Xavier Frank Emmanuel Dangeard

Miguel Nuno Santos Almeida António Sampaio e Mello David Charles Denholm Hobley Gervais Gilles Pellissier



Statement of profit and loss and other comprehensive income

For the years and quarters ended at 31 December 2013 and 2012

(Amounts expressed in euro)	NOTES	DECEMBER 2013	SEPTEMBER TO DECEMBER 2013 (not audited)	DECEMBER 2012	SEPTEMBER TO DECEMBER 2012 (not audited)
Net income / (loss) for the year		(90,569,383)	34,470,629	103,229,835	12,111,183
Components of other comprehensive income, net of tax		-	-	-	-
Comprehensive income for the year		(90,569,383)	34,470,629	103,229,835	12,111,183

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

The Chief Accountant

Ricardo André Fraga Costa

The Board of Directors

Duarte Paulo Teixeira de Azevedo Ângelo Gabriel Ribeirinho Paupério António Bernardo Aranha da Gama Lobo Xavier Frank Emmanuel Dangeard

Miguel Nuno Santos Almeida António Sampaio e Mello David Charles Denholm Hobley Gervais Gilles Pellissier



Movements in Shareholders' funds For the years ended at 31 December 2013 and 2012

	E/ TOTAL SS)	1.333,370,071			- (43,281,102)	33) (90,569,383)	- 19,300	- 4,723	- 230,074	- (1,314,192)	- (2,500,042)	33) 1,195,959,449
	(LOSS)	103,229,835		(103,229,835)		(90,569,383)						(90,569,383)
Reserves	TOTAL	870,193,067		103,229,835	(43,281,102)	·	(334,913)	666	720'027	(1,314,192)		928,723,768
	OTHER	79,961,643		98,068,343	(43,281,102)	1	425,568	4,723	1	(1,314,192)	(2,500,042)	131,364,941
	OWN SHARES RESERVES	6,299,699		1	•	1	(354,213)	(3,724)	•	•	2,500,042	8,441,804
	MEDIUM TERM INCENTIVE PLANS RESERVES (note 28)	650,156		ı	•	ı	(406,268)	ı	230,074	ı	•	473,962
	LEGAL RESERVES	7,991,192		5,161,492	•	1	ı	ı	1	ı	•	13,152,684
	SHARE	775,290,377		ı	•	1	ı	1	ı	ı	•	775,290,377
	OWN SHARES (note 14)	(6,299,699)		ı	•	ı	354,213	3,724	ı	ı	(2,500,042)	(8,441,804)
	SHARE	366,246,868		ı	•	ı	•	ı	ı	•	1	366,246,868
	(Amounts expressed in Euro)	2013 Balance at 31 December 2012	Appropriation of result of 2012	Transfer to legal reserves and other reserves	Dividends distribution	Comprehensive income for the year ended at 31 December 2013	Delivery of own shares under the Medium Term Incentive Plans	Sale of own shares to subsidiaries under the Short Term Incentive Plans	Effect of the recognition of the Medium Term Incentive Plans	Early termination of the derivate on own shares (notes 25 and 28)	Acquisition of own shares	Balance at 31 December 2013

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

The Chief Accountant

Ricardo André Fraga Costa

The Board of Directors

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

For the years ended at 31 December 2013 and 2012

								RESERVES		
(Amounts expressed in Euro)	SHARE	OWN SHARES (note 14)	SHARE PREMIUM	LEGAL RESERVES	MEDIUM TERM INCENTIVE PLANS RESERVES (note 28)	OWN SHARES RESERVES	OTHER RESERVES	TOTAL	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	904,095,590	(7,960,682)	1,248,787,258
Appropriation of result of 2011										
Transfer to other reserves	•	•	1	1	1	•	(7960,682)	(7,960,682)	7,960,682	1
Dividends distribution	1	1		1	1		(25,172,240)	(25,172,240)		(25,172,240)
Comprehensive income for the year ended at 31 December 2012	1	1	ı	1	ı	1	ı	1	103,229,835	103,229,835
Delivery of own shares under the Medium Term Incentive Plans	ı	438,791	ı	1	(497,588)	(438,791)	380,690	(555,689)	ı	(116,898)
Sale of own shares to subsidiaries under the Medium Term Incentive Plans	ı	9,031,343	1	1	ı	(9,031,343)	8,688,712	(342,631)	ı	8,688,712
Delivery of own shares under the loan in shares to subsidiaries	ı	1,962,514	ı		ı	(1,962,514)	1,962,514	ı	ı	1,962,514
Reimbursement of own shares under the loan in shares to subsidiaries	ı	(1,962,514)	ı		ı	1,962,514	(1,962,514)	ı	ı	(1,962,514)
Effect of the recognition of the Medium Term Incentive Plans	ı	ı	ı	1	405,219	1	ı	405,219	ı	405,219
Derivate on own shares		1	ı	1			(276,500)	(276,500)	1	(276,500)
Acquisition of own shares	1	(2,175,315)	1	1	1	2,175,315	(2,175,315)			(2,175,315)
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

The notes are an integral part of the financial statements at $31\,\mathrm{December}\,2013$ and 2012.

The Chief Accountant

Ricardo André Fraga Costa

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		Don't be breed	e Board of Director

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

Cash Flow statements

For the years ended at 31 December 2013 and 2012

(Amounts expresses in euro)		DECEMBER 2013		DECEMBER 2012
Operating activities				
Payments to employees	(1,625,097)		(2,145,722)	
Cash flows from operating activities	(1,625,097)		(2,145,722)	
Payments / receipts relating to income taxes, net	(1,147,572)		(1,854,525)	
Other payments / receipts relating to operating activities, net	337,933		7,133,247	
Cash flows from operating activities (1)		(2,434,736)		3,133,000
Investing activities				
Receipts from:				
Investments	15,260,284		486,805,537	
Tangible assets	41		267	
Interest and similar income	22,984,316		12,125,271	
Loans granted	428,385,000		-	
Dividends	24,700,000	491,329,641	129,476,277	628,407,352
Payments for:				
Investments	(16,940,284)		(175,415,602)	
Tangible assets	(25,691)		(2,445)	
Intangible assets	-		(6,408)	
Loans granted	-	(16,965,975)	(291,414,000)	(466,838,455
Cash flows from investing activities (2)		474,363,666		161,568,89
Financing activities				
Receipts from:				
Loans obtained	15,356,000	15,356,000	50,000,000	50,000,000
Payments for:				
Interest and similar expenses	(10,276,050)		(14,360,631)	
Acquisition of own shares	(2,500,042)		(2,175,315)	
Loans obtained	(349,026,569)		(130,566,000)	
Dividends	(43,281,102)	(405,083,763)	(25,172,240)	(172,274,186
Cash flows from financing activities (3)		(389,727,763)		(122,274,186
Net cash flows (4)=(1)+(2)+(3)		82,201,167		42,427,71
Cash and cash equivalents at the beginning of the year		103,717,414		61,289,70
Cash and cash equivalents at year end		185,918,581		103,717,414

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

The Chief Accountant

Ricardo André Fraga Costa

The Board of Directors

Duarte Paulo Teixeira de Azevedo Ângelo Gabriel Ribeirinho Paupério António Bernardo Aranha da Gama Lobo Xavier Frank Emmanuel Dangeard

Miguel Nuno Santos Almeida António Sampaio e Mello David Charles Denholm Hobley Gervais Gilles Pellissier

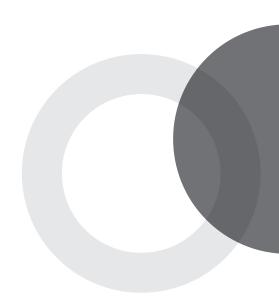


Notes to the cash flow statements

For the years ended at 31 December 2013 and 2012

	DECEMBER 2013	DECEMBER 2012
	DECEMBER 2013	DECEMBEN 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	3,243,735
Reimburse of supplementary capital from Público- Comunicação Social, S.A.	6,489,365	3,501,771
Reimburse of supplementary capital from Miauger - Organização e Gestão de Leilões Electrónicos, S.A.	1,146,146	-
Sale of the share capital of Be Artis to Optimus SGPS	-	455,735,851
Sale of the share capital of Sontária to Optimus SGPS	-	9,380,876
Reimburse of supplementary capital from Be Artis - Concepção, Construção e Gestão de Redes de Comunicações, S.A.	-	14,943,304
	15,260,284	486,805,537
b) Other business activities		
Share capital increase of PCJ - Público, Comunicação e Jornalismo, S.A.	7,624,774	-
Share capital increase of Público - Comunicação Social, S.A.	6,489,365	-
Cash outflow to coverage losses Miauger - Organização e Gestão de Leilões Electrónicos, S.A.	1,146,145	-
Cash outflow to coverage losses Be Artis- Concepção, Construção e Gestão de Redes de Comunicações, S.A.	-	14,943,304
Cash outflow to coverage losses PCJ - Público, Comunicação e Jornalismo, S.A.	-	3,243,735
Cash outflow to coverage losses Público - Comunicação Social, S.A.	-	3,501,771
Supplementary capital to Optimus, SGPS, S.A.	-	106,000,000
Supplementary capital to Sonaecom Sistemas de Informação, SGPS, S.A.	-	39,951,792
Supplementary capital to Público - Comunicação Social, S.A.	850,000	7,500,000
Supplementary capital to Miauger - Organização e Gestão de Leilões Electrónicos, S.A.	830,000	200,000
Establishment of Sonaecom - Serviços Partilhados, S.A.	-	50,000
Establishment of ZOPT, SGPS, S.A.	-	25,000
	16,940,284	175,415,602
c) Dividends received		
Optimus, SGPS, S.A.	24,700,000	29,684,926
Optimus - Comunicações, S.A.	_	68,175,378
Sonae Com Sistemas de Informação, SGPS, S.A.	_	31,032,500
Sontária - Empreendimentos Imobiliários, S.A.	_	583,473
	24,700,000	129,476,277

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



	DECEMBER 2013	DECEMBER 2012
2. Details of cash and cash equivalents		
Cash in hand	811	1,280
Cash at bank	26,252,770	31,134
Treasury applications	159,665,000	103,685,000
Cash and cash equivalents	185,918,581	103,717,414
Cash assets	185,918,581	103,717,414
3. Description of non-monetary financing activities		
a) Bank credit obtained and not used	16,000,000	69,000,000
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 December 2013 and 2012.

The Chief Accountant

Ricardo André Fraga Costa

The Board of Directors

Duarte Paulo Teixeira de Azevedo Ângelo Gabriel Ribeirinho Paupério António Bernardo Aranha da Gama Lobo Xavier Frank Emmanuel Dangeard

Miguel Nuno Santos Almeida António Sampaio e Mello David Charles Denholm Hobley Gervais Gilles Pellissier



6.4. 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.

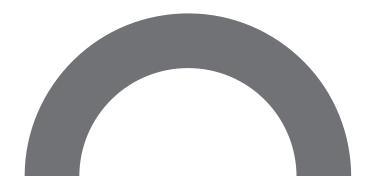
On 30 April 2003, the company's name was changed by public deed to Sonaecom, SGPS, S.A..

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 093X - Telecomunicações Celulares, S.A. (EDP) and Parpública - Participações Públicas, SGPS, S.A. (Parpública). The corresponding public deed was executed on 18 October 2006.

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

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



1. Basis of presentation

The accompanying financial statements have been prepared on a going concern basis, based on the Company's accounting records in accordance with International Financial Reporting Standards(IFRS).

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

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 year ended at 31 December 2013:

STANDARD / INTERPRETATION **EFFECTIVE DATE**

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 1-Jan-12 (*) (Deferred tax: Recovery of Underlying Assets)

The amendment introduces, in the case of investment properties measured using the fair value model, the presumption that recovery of the carrying amount will normally be through sale, in order to determine their tax $% \left(x\right) =\left(x\right) +\left(x$ 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 1-Jan-13 (Employee Benefits)

The amendments make important improvements by eliminating an option to defer the recognition of gains and losses, known as the 'corridor method', improving comparability and faithfulness of presentation, streamlining the presentation of changes in assets and liabilities arising from defined benefit plans and enhancing the disclosure requirements for defined benefit plans.

IAS1-Amendments 1-Jul-12 (Presentation of Items of Other Comprehensive Income

The amendments to IAS 1 require companies preparing financial statements in accordance with IFRSs to group together items within OCI.

IFRS 7 - Admendments 1-Jan-13 (Disclosures od Financial Instruments)

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 (Stripping Costs in the Production Phase of a Surface Mine)

The Interpretation clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods.

IFRS 1 - Amendments 1-Jan-13 (Government Loans

The amendments referred to the Government Loans addresses how a firsttime 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

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.

STANDARD / INTERPRETATION (continue)	EFFECTIVE DATE (Annual periods beginning on or after)
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.

(*) In accordance with the Regulation which approves the amendment to IAS 12, an entity shall use this standard no later than periods beginning on or after January 1, 2013. The early adoption is however permitted.

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.

IFRS 11 1-Jan-13(**) (Companies jointly controlled)

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

STANDARD / INTERPRETATION

EFFECTIVE DATE (Annual periods beginning on or after)

IFRS 12

1-Jan-13(**)

(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(**)

(Separate Financial Statements)

and subsequent amendments

Consolidation requirements previously forming part of IAS 27 have been revised and are now contained in IFRS 10 Consolidated Financial Statements.

STANDARD / INTERPRETATION

EFFECTIVE DATE (Annual periods beginning on or after)

1-Jan-13(**)

IAS 28

IAS 19 - Amendments

(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

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.

IAS 32- Admendments and Financial Liabilities)

1-Jan-14

IAS 32 is amended to refer to the disclosure requirements in respect of offsetting arrangements.

Amendments to IAS 36

1-lan-14

(Recoverable amount disclosures for Non-Financial Assets)

The amendments introduce additional disclosures and clarify the disclosures required when an asset is impaired and the recoverable amount of assets was based on Fair Value Less Cost of Disposal.

Amendments to IAS 39

1-Jan-14

(Novation of Derivatives and Continuation of

Hedge Accounting)

The objective of the proposed amendments is to provide an exception to the requirement for the discontinuation of hedge accounting in IAS 39 and IFRS 9 in circumstances when a hedging instrument is required to be $\label{eq:control} \begin{tabular}{ll} \begin{tabula$ novated as a result of laws or regulations.

 $(^{**})$ 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

These standards, although endorsed by the European Union, were not adopted by the Company for the year ended at 31 December 2013, since 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 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)

1-Jan-15

(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. Subsequent amendments refer to amendments to IFRS 9 and IFRS 7: Mandatory Effective Date and Transition Disclosures issued on 16 December 2011; Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39 issued on 19 November 2013).

(Defined Benefit Plans: Employee

1-Jul-14

Contributions) The objective of the amendments is to simplify the accounting for contributions

Annual Improvements to IFRSs 2010-2012 Cycle

1-Jul-14

Annual Improvements to IFRSs 2010–2012 Cycle is a collection of amendments to IFRSs in response to eight issues addressed during the 2010–2012 cycle for annual improvements to IFRSs

that are independent of the number of years of employee service.

Annual Improvements to IFRSs 2011–2013 Cycle

Annual Improvements to IFRSs 2011–2013 Cycle is a collection of amendments to IFRSs in response to four issues addressed during the 2011–2013 cycle for annual improvements to IFRSs

IFRIC 21 Levies

(Levies Charged by Public Authorities or Entities that Operate in a Specific Market)

This interpretation clarifies on when a liability to pay a levy imposed by a government (does not include income taxes - see IAS 12 Income taxes) should be recognised by an entity. IFRIC 21 identifies that the obligating event that gives rise to a liability is the activity that triggers the payment of the levy in accordance with the relevant legislation.

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

It is predicted that 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 December 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 – improvement in buildings owned by third parties	s 4-20
Plant and machinery	5-6
Fixtures and fittings	3-8
Vehicles	4

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

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) Investments in Joint Ventures

Investments in Joint Ventures (companies in which the Company has, direct or indirect, 50% of the voting rights in the Shareholders' General Meeting of or in which it has the control over the financial and operating policies), are recorded under the caption 'Investments in joint ventures', at acquisition cost in accordance with IAS 27, as such, Sonaecom presents, separately, consolidated financial statements in accordance with IAS / IFRS.

Loans and supplementary capital granted to companies jointly controlled, 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 joint ventures 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 joint ventures 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 joint ventures are recorded as cost when they are incurred.

e) 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

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 noncurrent 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 tradedate - 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

'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.

f) 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.

g) 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 'Provisions and impairment losses'.

h) 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.

i) 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.

j) 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.

k) 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 December 2013 and 2012, the Company did not have any derivative, beyond those mentioned in note 1.t).

I) 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.

m) 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 9).

Deferred taxes are calculated with the tax rate that is expected to be in effect at the time the asset or liability is realized, based on the rates that have been enacted or substantially enacted at the balance sheet date.

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.

n) 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 noncurrent 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.I)).

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 in-

Dividends are recognised when the Shareholders' rights to receive such amounts are appropriately established and communicated.

o) 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 9 and 16).

p) 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.k) 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.

Additionally, the increments resulting from the application of fair value through equity components, including its implementation through the net results, shall be distributed only when the elements that gave rise to them are sold, liquidated or exercised when they finish their use, in the case of tangible or intangible assets.

Therefore, at 31 December 2013, Sonaecom, SGPS, S.A., didn't have free reserves distributable.

q) 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'.

r) 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 December	Average	31 December	Average
Pounds Sterling	1.1995	1.1780	1.2253	1.2337
Swiss franc	0.8146	0.8125	0.8284	0.8297
Swedish krona	0.1129	0.1156	0.1165	0.1149
American Dollar	0.7251	0.7533	0.7579	0.7787

s) 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 in Group companies, 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.

For financial investments in joint ventures, the recoverable amount is determinated taking into account with several information as business plans approved by the Board of Directors and the average ratings of external reviewers (researches).

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.

t) 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.

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 by Sonaecom and under the MTIP of Sonaecom and fixed the shares' acquisition price. The remaining Sonaecom share plans are covered through the detention of own shares. 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 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'.

u) 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.

v) Judgements and estimates

The most significant accounting estimates reflected in the financial statements of the years ended at 31 December 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.

x) 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.k).

The Company is also exposed to equity price risks arising from equity investments, although they are usually maintained for strategic purposes.

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. k).

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 15) 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 15.

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 years ended at 31 December 2013 and 2012 was as follows:

							2013
	Buildings and other constructions	Plant and machinery	Vehicles	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
Additions	-	-	22,060	-	3,669	-	25,729
Disposals	(373,995)	(2,827)	-	-	(94,707)	-	(471,529)
Balance at 31 December 2013	348,914	43,858	22,060	171	242,718	104	657,825
Accumulated depreciation and impairment losses							
Balance at 31 December 2012	486,209	40,497	-	171	280,140	104	807,121
Depreciation for the year	38,653	5,207	2,298	-	17,185	-	63,343
Disposals	(198,924)	(2,061)	-	-	(64,364)	-	(265,349)
Balance at 31 December 2013	325,938	43,643	2,298	171	232,961	104	605,115
Net value	22,976	215	19,762	-	9,757	-	52,710

							2012
	Buildings and other constructions	Plant and machinery	Vehicles	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	1,744	360	-	-	-	-	2,104
Disposals	-	-	-	-	(1)	-	(1)
Balance at 31 December 2012	722,909	46,685	-	171	333,756	104	1,103,625
Accumulated depreciation and impairment losses							
Balance at 31 December 2011	444,736	33,182	-	171	262,282	104	740,475
Depreciation for the year	41,473	7,315	-	-	17,859	-	66,647
Disposals	-	-	-	-	(1)	-	(1)
Balance at 31 December 2012	486,209	40,497	-	171	280,140	104	807,121
Net value	236,700	6,188	-	-	53,616	-	296,504

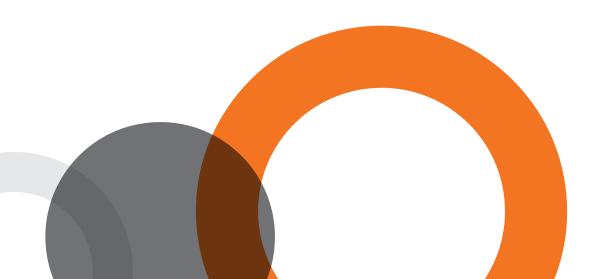


3. Intangible assets

The movement in intangible assets and in the corresponding accumulated amortisation and impairment losses in the years ended at 31 December 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 December 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 year	380	1,838	-	2,218
Balance at 31 December 2013	9,719	185,312	-	195,031
Net value	-	7,092	-	7,092

				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
Additions	-	6,408	2,373	8,781
Balance at 30 December 2012	9,719	190,031	2,373	202,123
Accumulated amortisation and impairment losses				
Balance at 31 December 2011	8,316	182,741	-	191,057
Amortisation for the year	1,023	733	-	1,756
Balance at 31 December 2012	9,339	183,474	-	192,813
Net value	380	6,557	2,373	9,310



4. Breakdown of financial instruments

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

						2013
	Loans and receivables	Financial assets at fair value through profit or loss	Other financial assets	Subtotal	Others not covered by IFRS 7	Total
Non-current assets						
Other non-current assets (note 8)	175,735,246	-	-	175,735,246	-	175,735,246
	175,735,246	-	-	175,735,246	-	175,735,246
Current assets						
Financial assets at fair value through profit or loss (note 7)	-	202,442,350	-	202,442,350	-	202,442,350
Other trade debtors (note 10)	17,119,404	-	-	17,119,404	2,643,926	19,763,330
Other current assets (note 11)	-	-	379,145	379,145	136,084	515,229
Cash and cash equivalents (note 12)	185,918,581	-	-	185,918,581	-	185,918,581
	203,037,985	202,442,350	379,145	405,859,480	2,780,010	408,639,490

						2012
	Loans and receivables	Financial assets at fair value through profit or loss	Other financial assets	Subtotal	Others not covered by IFRS 7	Total
Non-current assets						
Other-non current assets (note 8)	521,421,792	_	-	521,421,792	-	521,421,792
	521,421,792	-	-	521,421,792	-	521,421,792
Current assets						
Other trade debtors (note 10)	7,593,137	-	-	7,593,137	2,522,105	10,115,242
Other current assets (note 11)	-	-	3,559,169	3,559,169	128,470	3,687,639
Cash and cash equivalents (note 12)	103,717,414	-	-	103,717,414	-	103,717,414
	111,310,551	-	3,559,169	114,869,720	2,650,575	117,520,295

					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 15)	20,003,496	-	20,003,496	-	20,003,496
Other non-current liabilities (note 17)	-	-	-	370,948	370,948
	20,003,496	-	20,003,496	370,948	20,374,444
Current liabilities					
Short-term loans and other loans (note 15)	21,660,813	-	21,660,813	-	21,660,813
Other creditors (note 18)	-	7,199,301	7,199,301	108,972	7,308,273
Other current liabilities (note 19)	-	2,711,843	2,711,843	334,477	3,046,320
	21,660,813	9,911,144	31,571,957	443,449	32,015,406

					2012
	Liabilities recorded at amortised cost	Other financial liabilities	Subtotal	Others not covered by IFRS 7	Total
Non-current liabilities					
Medium and long-term loans – net of short-term portion (note 15)	190,239,630	-	190,239,630	-	190,239,630
Other non-current liabilities (note 17)	-	-	-	174,176	174,176
	190,239,630	-	190,239,630	174,176	190,413,806
Current liabilities					
Short-term loans and other loans (note 15)	186,419,026	-	186,419,026	-	186,419,026
Other creditors (note 18)	-	727,186	727,186	101,075	828,261
Other current liabilities (note 19)	-	778,388	778,388	236,486	1,014,874
	186,419,026	1,505,574	187,924,600	337,561	188,262,161

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 December 2013 and 2012, this caption included the following investments in Group companies:

COMPANY	2013	2012
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')	11,176,547	3,551,772
Público - Comunicação Social, S.A. ('Público')	10,227,595	3,738,230
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
OPTIMUS, SGPS, S.A. ('Optimus SGPS')**	-	1,005,866,218
	179,439,876	1,170,045,809
Impairment losses (note 16)	(112,859,590)	(97,197,713)
Total investments in Group companies	66,580,286	1,072,848,096

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

COMPANY	BALANCE AT 31 DECEMBER 2012	ADDITIONS	DISPOSALS	TRANSFERS AND WRITE-OFFS	BALANCE AT 31 DECEMBER 2013
Optimus SGPS	1,005,866,218	-	(1,005,866,218)	-	-
Sonaetelecom BV	75,009,902	-	-	-	75,009,902
Sonaecom SI	52,241,587	-	-	-	52,241,587
Sonaecom BV	25,020,000	-	-	-	25,020,000
Miauger	4,568,100	1,146,145	-	-	5,714,245
Público	3,738,230	6,489,365	-	-	10,227,595
PCJ	3,551,772	7,624,775	-	-	11,176,547
Sonaecom Sp	50,000	-	-	-	50,000
	1,170,045,809	15,260,285	(1,005,866,218)	-	179,439,876
Impairment losses (note 16)	(97,197,713)	(15,661,877)	-	-	(112,859,590)
	1,072,848,096	(401,592)	(1,005,866,218)	-	66,580,286

COMPANY	BALANCE AT 31 DECEMBER 2011	ADDITIONS	DISPOSALS	TRANSFERS AND WRITE-OFFS	BALANCE AT 31 DECEMBER 2012
Optimus SGPS	107,289,987	898,576,231	-	-	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
Miauger	4,568,100	-	-	-	4,568,100
Público	494,495	3,243,735	-	-	3,738,230
PCJ	50,000	3,501,772	-	-	3,551,772
Sonaecom SP	-	50,000	-	-	50,000
Optimus	898,576,231	-	(898,576,231)	-	-
Be Artis	8,230,885	14,943,304	(23,174,189)	-	-
Sontária	6,120,239	-	(6,120,239)	-	-
	1,177,601,426	920,315,042	(927,870,659)	-	1,170,045,809
Impairment losses (note 16)	(80,122,497)	(10,681,481)	-	(6,393,735)	(97,197,713)
	1,097,478,929	909,633,561	(927,870,659)	(6,393,735)	1,072,848,096

^{*} Company established in the exercise 2012.
** This company changed its name from Sonae Telecom, SGPS, S.A., to OPTIMUS, SGPS, S.A., on October 2012

Following the announcement made, on 14 December 2012, 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. ('Sonaecom') carried out a capital increase in kind, transferring 81.807% of its financial participation in Optimus SGPS, S.A. to ZOPT, SGPS, S.A. (vehicle used for this purpose), conditional upon completion of the merger.

Thus, following the above mentioned agreement, on 27 August 2013, and after fulfilling all the remedies required to the operation, the merger was closed. Sonaecom considers this to be the date on which Zopt took control of Zon Optimus. Accordingly, in the same day, it was registered the capital increase in kind with the transference of 81.807% Sonaecom's financial participation in Optimus SGPS, S.A. to ZOPT, SGPS, S.A ('Zopt') (note 6). As a consequence, Sonaecom held a 50% stake in Zopt, as well as shareholder loans to be received from Zopt amounting to Euro 230 million (note 8), which would later be converted on supplementary capital and reduced to Euro 115 million (notes 8 and 23). Additionally, the remaining stake of 18.193% in Optimus SGPS, was converted into a minority stake of 7.28% in Zon Optimus (note 7).

Resulting from a 'Shareholders Agreement' between the parties involved in the merger, Sonacom and Kento/Jadeium Group agreed not to acquire any shares of Zon Optimus, with the exception of the shares acquired by Sonaecom as a result of the operation.

For this reason, the 'Shareholders Agreement' also foresees that after 2 years from the date of the formal closing of the merger, and for a period of three months, the Group Kento / Jadeium may exercise a call option over half of the shares of Zon Optimus that Sonaecom holds at the date of the exercise of call option, at a price equal to the weighted average price of the previous month.

After the share capital increase of Zopt and the closing of the merger between Optimus SGPS and Zon, Sonaecom derecognised an investment in Optimus SGPS amounting to Euro 1,006 million and the supplementary capital amounting to Euro 144.6 million (note 8). Sonaecom has also recognized an investment in Zopt amounting to Euro 598 million 11 (note 6), loans to be received from Zopt amounting Euro 230 million and an investment registered at fair value through Zon Optimus shares (the conversion of 20,921,650 Optimus SGPS shares, representing 18.193% of the share capital, to 37,489,324 Zon Optimus shares, representing 7.28% of the share capital), at the market price of 27 August 2013 (date of the closing of the merger), amounting to Euro 156 million (note 7).

Thus, as a result of the derecognition of the financial investment in Optimus SGPS, the recognition of the investments in Zopt and Zon Optimus, and the loans to be received from Zopt, it was registered a capital loss of 167 million euros (note 23).

In the year ended at 31 December 2013, the amounts of Euro 7,624,775 and Euro 6,489,365 under the caption 'Additions' in PCJ and Público, respectively, relates to increases of share capital and the amount of Euro 1,146,145 in Miauger relates to an increase of capital to cover losses.

Considering that this increase has been offset by an equal decrease in 'Other non-current assets' (note 8), the net exposure to these investments did not change in the year ended at 31 December 2013.

In the years ended at 31 December 2012, Sonaecom sold the entire share capital of its subsidiaries Be Artis and Sontária to Optimus SGPS, a company fully owned by Sonaecom at that date. The participations were sold for the amount of Euro 456 million and Euro 9 million respectively, including share capital, loans and supplementary capital (note 8), generating a loss of circa Euro 363 thousand (note 23).

¹ The Zopt participation of 598 million euros (598 = ((2.850 X 50,01%)-230)X 50%) results from the valuation of Zon Optimus, amounting to 2,850 million euros. This corresponds to the sum of the valuation of the capital increase in Zopt by Zon and Optimus in 1,500 million euros and 1,000 million euros, respectivetly (the valuation was made by the entities involved in the capital increase and the merger project) and the minimum synergies estimated, disclosed in the merger project in the amount of 350 million euros, deducted from loans totaling 230 million euros (level 3 of inputs in the hierarchy of fair value). It was decided that Zon market price at the date of the closing of the merger didn't reflected the fair value of Zon Optimus (the argument for not using the Zon share price at the date of the close of the merger, as abovementioned, is proven by the positive evolution of Zon Optimus share price since the date of the merger until the date of this document (2,782 million euros versus 2,141, price at 27 August 2013, merger date). For this reason, the market capitalization of Zon was not considered as a reference for valuing the Zopt investment. The valuation of Zon and Optimus was based on internally and analysts' projections, regarding the main economic indicators, including operating results and investment. For this purpose, was used a weighted average cost of capital of 9.5% and growth rate of 3%.

In the year ended at 31 December 2012, the amounts of Euro 14,943,304, Euro 3,243,735 and Euro 3,501,772 under the caption 'Additions' in Be Artis, Público and PCJ, respectively, relates to an increase of capital to cover losses. The amount of Euro 50,000 under the caption 'Additions' at Sonaecom SP, relates to the constitution of Sonaecom Serviços Partilhados, S.A., wholly owned by Sonaecom.

The variation in 'Impairment losses', in the years ended at 31 December 2013, result from the increase made in the amount of Euro 823,138 (note 16) and the disposals of Euro 14,838,739 offset by the increased to the caption 'Other non-current assets' (note 8 and 16). In the year ended at 31 December 2012, the variation in 'Impairment losses' result, mainly, from the increased of Euro 10.681.481 (note 16) and from the transfer of Euro 6,393,735 to the caption 'Other non-current assets' (note 8).

In December 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 at that date) holds the entire capital of Optimus – Comunicações, S.A. .

The Company presents separate consolidated financial statements at 31 December 2013, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, which presents total consolidated assets of Euro 1,227,050,150 total consolidated liabilities of Euro 90,290,618, consolidated operational revenues of Euro 120,449,875 and consolidated Shareholders' funds of Euro 1,136,759,532 including a consolidated net profit (attributable to the Shareholders of the parent company - Sonaecom, SGPS, S.A.) for the year ended at 31 December 2013 of Euro 103,838,479.

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

				2013			2012
Company	Head office	% holding	Shareholders' funds	Net profit / (loss)	% holding	Shareholders' funds	Net profit / (loss)
ZOPT (a) (note 6)	Matosinhos	50%	1,249,937,792	(292,208)	50%	50,000	-
Sonae com SI	Maia	100%	86,001,299	1,449,651	100%	84,556,648	35,642,169
Sonaecom BV	Amsterdam	100%	14,961,401	381,558	100%	14,579,843	(84,077)
PCJ	Maia	100%	1,239,445	(674,010)	100%	1,913,455	(7,624,773)
Sonaetelecom BV	Amsterdam	100%	1,617,430	1,557	100%	1,615,873	3,246
Miauger	Maia	100%	221,974	(826,880)	100%	218,854	(8,512)
Sonaecom SP	Maia	100%	83,316	33,280	100%	50,035	35
Público	Maia	100%	169,234	(2,063,171)	100%	1,392,405	(6,489,365)
Optimus SGPS	Maia	-	-	-	100%	977,500,092	40,948,331

(a) Company established in December 2012

The evaluation of the existence of impairment losses for the main investments in the Group companies in joint ventures 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 are made on an annual basis unless there is evidence of impairment and prepared according to projected cash flows for periods of five years. 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 the area of information systems. 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. Regarding the area of telecommunications (Zopt), the assessment of whether or not the impairment is determinated taking into account with several information as business plans approved by the Board of Directors and the average ratings of external reviewers (researches).

	INFORMATION SYSTEMS	MULTIMEDIA	TELECOMMUNICATIONS
Assumptions			
Basis of recoverable amount	Value in use	Value in use	Value in use
Discount rate	13.0%	12.0%	9.0%
Growth rate in perpetuity	3.0%	0.0%	2.0%

6. Investments in joint ventures

At 31 December 2013 e 2012, this caption included the following investments in joint ventures:

COMPANY	2013	2012
ZOPT, SGPS, S.A. ('ZOPT') *	597,666,944	25,000

^{*}Company established in December 2012

The movements that occurred in this caption during the years ended at 31 December 2013 and 2012 were as follows:

COMPANY	BALANCE AT 31 DECEMBER 2012	ADDITIONS (note 5)	DISPOSALS	TRANSFERS AND WRITE-OFFS	BALANCE AT 31 DECEMBER 2013
ZOPT	25,000	597,641,944	-	-	597,666,944

7. Financial assets at fair value through profit or loss

In August 2013, Sonaecom Group began to hold Zon Optimus shares recorded at fair value through profit or loss, as a result of the merger between Optimus SGPS and Zon (note 5), since it is the initial classification of an asset held for a sale purpose in a shorttime (note 32). In accordance with the 'Shareholders Agreement', these shares neither concedes any additional vote right or affect the shared control situation with Zon Optimus.

The movements occurred in this caption during the year ended at 31 December 2013, were as follows:

					2013
Financial assets at fair value through profit or loss	OPENING BALANCE	INCREASES	DECREASES	FAIR VALUE ADJUSTMENTS	CLOSING BALANCE
Zon Optimus	-	155,805,631	-	46,636,719	202,442,350

The fair value adjustments are recorded under the caption 'Gains and losses on Group companies' in Profit and Loss Statement (note 23).

The evaluation of fair value of the investment is detail as follows:

	2013
Shares (7.28%)	37,489,324
Level of inputs in the hierarchy of fair value	Level 1
Valuation method	Quoted price on the stock exchange
Quoted price*	5.4
Fair value	202,442,350

^{*} Used the share price of 31 December 2013 in the determination of the fair value.

This investment was classified as a current asset, following the launching by Sonaecom, of the partial and voluntary offer for the acquisition of own shares (note 32).

8. Other non-current assets

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

	20	013 201
Financial assets		
Medium and long-term loans granted:		
Sonae com SI	15,655,0	15,815,00
PCJ	4,610,0	4,690,00
Público	1,780,0	100
Optimus SGPS		- 312,850,00
Sonaecom BV		- 2,075,00
	22,045,0	335,430,00
Supplementary capital:		
Zopt	115,000,0	100
Sonae com SI	39,951,7	792 39,951,79
Público	2,182,4	+05 7,821,77
PCJ	1,863,4	455 9,488,22
Miauger	988,8	353 1,305,00
Optimus SGPS		- 144,630,00
	159,986,5	203,196,79
	182,031,5	5 05 538,626,79
Accumulated impairment losses (note 16)	(6,296,29	59) (17,204,998
	175,735,2	246 521,421,79

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

					2013
Company	Opening balance	Increases	Decreases	Transfers	Closing balance
Sonae com SI	15,815,000	3,705,000	(3,865,000)	-	15,655,000
PCJ	4,690,000	-	(80,000)	-	4,610,000
Público	-	1,780,000	-	-	1,780,000
Sonaecom BV	2,075,000	-	(2,075,000)	-	-
Optimus SGPS	312,850,000	-	(312,850,000)	-	-
Zopt	-	230,000,000	(115,000,000)	(115,000,000)	-
	335,430,000	235,485,000	(433,870,000)	(115,000,000)	22,045,000

					2012
Company	Opening balance	Increases	Decreases	Transfers	Closing balance
Optimus SGPS	-	312,850,000	-		312,850,000
Sonae com SI	19,700,000	11,950,000	(15,835,000)	-	15,815,000
PCJ	5,160,000	=	(470,000)	-	4,690,000
Sonaecom BV	21,785,000	1,115,000	(20,825,000)	-	2,075,000
Be Artis	179,734,000	2,245,000	(181,979,000)	-	-
Sontária	2,676,637	584,000	(3,260,637)	-	-
Sonaetelecom BV	200,000	=	(200,000)	-	-
Optimus	-	22,850,000	(22,850,000)	=	-
	229,255,637	351,594,000	(245,419,637)	-	335,430,000

During the uears ended at 31 Dec	ember 2013 and 2012, the movements in 'S	ฉันอ	plementar	u car	ital' were	as follows:

					2013
Company	Opening balance	Increases	Decreases	Transfers	Closing balance
ZOPT	-	-	-	115,000,000	115,000,000
Sonae com SI	39,951,792	-	-	-	39,951,792
Público	7,821,770	850,000	(6,489,365)	-	2,182,405
PCJ	9,488,228	-	(7,624,773)	-	1,863,455
Miauger	1,305,000	830,000	(1,146,147)	-	988,853
Optimus SGPS	144,630,000	-	(144,630,000)	-	-
	203,196,790	1,680,000	(159,890,285)	115,000,000	159,986,505

					2012
Company	Opening balance	Increases	Decreases	Transfers	Closing balance
Optimus SGPS	38,630,000	106,000,000	-	-	144,630,000
Sonae com SI	-	39,951,792	-	-	39,951,792
PCJ	12,990,000	-	(3,501,772)	-	9,488,228
Público	3,565,505	7,500,000	(3,243,735)	-	7,821,770
Miauger	1,105,000	200,000	-	-	1,305,000
Be Artis	265,889,115	-	(265,889,115)	-	-
	322,179,620	153,651,792	(272,634,622)	-	203,196,790

In the year ended at 31 December 2012, the decreases of the loans in Be Artis and in Sontária, in the amount 182 million and Euro 3.3 million, are related to the sale of these companies to Optimus SGPS, as described in note 5. The sale also includes Euro 251 million of supplementary capital in Be Artis. Besides this movement, the decrease of supplementary capital in an amount of Euro 266 million, includes a repayment of Euro 15 million to Sonaecom.

The movement under the caption 'Accumulated impairment losses' results from the increase in the amount of Euro 14,838,739 (Euro 6,393,735 in 2012) offset for the equal decrease to the caption 'Investments in Group companies' (note 5), as well as increase made in the year amounting to Euro 3,930,000 (Euro 15,043,228 in 2012) (note 16).

In the year ended at 31 December 2013, the increase in medium and long-term loans granted to Zopt of Euro 230 million and the decrease in supplementary capital, occurred in Optimus SGPS amounting to Euro 144.6 million, result of the operation explain above in note 5. The decrease of Euro 115 million in medium and long-term loans granted to Zopt, result of the disposal of 50% of these loans to Unitel (note 5 and 25). The transfers arise from the capital increase made in Zopt through the conversion of loans amounted Euro 115 million to supplementary capital. The decrease of Euro 313 million in medium and long-term loans granted to Optimus SGPS correspond to the liquidation of the entire loan.

During the years ended at 31 December 2013 and 2012, the loans granted to Group companies and joint ventures earned interest at market rates with an average interest rate of 5.62% and 4.94%, respectively. Supplementary capital is non-interest bearing. 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).

9. Deferred taxes

At 31 December 2013 and 2012 the value of deferred tax assets not recorded where it is not expected that sufficient taxable profits will be generated in the future to cover those losses, have the following detail:

Deferred tax assets	29,522,324	44,263,507
Total	120,485,220	170,120,603
CFEI	4,563	-
Provisions not acceptable for tax purposes, impairment losses and others	120,480,657	115,556,999
Tax losses	-	54,563,604
	2013	2012

At 31 December 2013 and 2012, the deferred tax assets relating to tax losses carried forward have the following origin dates:

YEAR OF ORIGIN	2013	2012
2007	-	13,640,901
	-	13,640,901

For the year ended at 31 December 2013 the rate used to calculate the deferred tax assets/liabilities was of 23% relating to tax losses carried forward, and of 24.5% for remaining deferred tax assets and liabilities, as a consequence of the IRC rate change from 25% to 23% from 2014 onwards. For the year ended at 31 December 2012, the rate used 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. 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.

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

	2013	2012
Earnings before tax	(89,079,032)	103,147,943
Income tax rate (25%)	22,269,758	(25,786,986)
Correction of the tax of the previous year and other related taxes	(593,204)	(3,335)
Tax provision (notes 16 and 24)	(168,062)	(4,561)
Movements in provisions not accepted for tax purposes	(1,238,475)	(6,431,177)
Adjustments to the taxable income	(23,947,623)	32,307,951
Use of losses carried forward, which deferred taxes were not recorded	2,187,255	-
Income taxation recorded in the year (note 24)	(1,490,351)	81,892
·		

The tax rate used to reconcile the tax expense and the accounting profit was 25% because it is the standard rate of the corporate income tax in Portugal in 2013 and 2012.

The adjustments to the taxable income in 2013 relates, mainly, to losses and gains in financial investments and dividends received (note 23), which do not contribute to the calculation of the taxable profit for the year.

Portuguese Tax Authorities can review the income tax returns of the Company for a period of four years (five years for Social Security), except when tax losses have been generated, tax benefits have been granted or when any review, claim or impugnation is in progress, in which circumstances, the periods are extended or suspended. Consequently, tax returns of each year, since the year 2010 (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 December 2013.

10. Other current debtors

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

		4
	2013	2012
State and other public entities	2,643,926	2,522,105
Trade debtors	17,119,404	7,593,137
	19,763,330	10,115,242

At 31 December 2013 and 2012, the caption 'Other current debtors' included amounts to be received from Group companies related to interests receivable from subsidiaries on Shareholders' loans, interest on treasury applications and services rendered (notes 23 and 25). At 31 December 2013, the caption 'Other debtors' include an amount referred to the fact to chosen of Sonaecom SGPS, SA to benefit from the scheme of Outstanding Debts Settlement of Tax and Social Security, and carried out a payment totalling of circa Euro 5 million related essentially to VAT. The Board of Directors believes that these amounts are not due and there are no material liabilities associated that has no provision and that should be disclosed.

The caption 'State and other public entities', at 31 December 2013 and 2012, includes the special advanced payment, retentions and taxes to be recovered.

Other debtors and advances to suppliers by age at 31 December 2013 and 2012 are as follows:

			DUE WITHOU	T IMPAIRMENT		DUE AND WIT	H IMPAIRMENT		
	Total	Not due	Until 30 days	From 30 to 90 days	More than 90 days	Until 90 days	From 90 to 180 days	From 180 to 360 days	More than 360 days
2013									
Trade debtors	17,119,404	1,296,375	4,685,020	3,212,670	7,925,339	-	-	-	-
2012									
Trade debtors	7,593,137	5,957,340	1,536,458	51,073	48,266	-	-	-	

At the year ended at 31 December 2013, the amounts due without impairment to more than 90 days correspond, mostly, to amounts receiving from Group companies.

The debts of the state and other public entities were not subject detail above, for not being financial assets.



11. Other current assets

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

	2013	2012
Accrued income	2013	2012
Interest receivable	201,875	2,922,733
Invoices to be issued	26,536	347,248
Other accrued income	150,734	289,189
	379,145	3,559,170
Pluriannual costs		
Insurance	31,601	39,219
Rents	-	12,811
Other pluriannual costs	104,483	76,439
	136,084	128,469
	515,229	3,687,639

12. Cash and cash equivalents

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

	2013	2012
Cash	811	1,280
Bank deposits repayable on demand	26,252,770	31,134
Treasury applications	159,665,000	103,685,000
	185,918,581	103,717,414

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

	2013	2012
Bank applications	156,495,000	5,000,000
We Do	1,365,000	640,000
Público	1,345,000	365,000
Saphety	285,000	-
Sonaecom SP	170,000	-
PCJ	5,000	25,000
Lugares Virtuais	-	510,000
Optimus SGPS	-	97,130,000
Mainroad	-	15,000
	159,665,000	103,685,000

During the year ended at 31 December 2013, the above mentioned treasury applications bear interests at an average rate of 4.46% (4.78% in 2012).

13. Share capital

At 31 December 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')	82,152,012	22.43%	78,681,339	21.48%
Sonae SGPS	76,679,374	20.94%	3,430,000	0.94%
Goldman Sachs*	7,780,349	2.12%	-	-
Own shares (note 14)	5,571,014	1.52%	4,321,038	1.18%
Efanor Investimentos, SGPS, S.A.	1,000	0.00%	1,000	0.00%
Atlas Service Belgium **	-	-	73,249,374	20.00%
Millenium BCP ***	-	-	12,500,998	3.41%
	366,246,868	100.00%	366,246,868	100.00%

^{*} On 23 October 2013, Goldman Sachs Group, Inc. informed Sonaecom about the completion of a qualifying holding of 2.12% in Sonaecom, corresponding to 7,780,349 shares and voting rights.

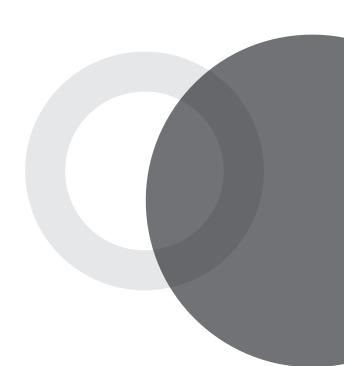
All shares that comprise the share capital of Sonaecom, are authorised, subscribed and paid. All shares have the same rights and each share corresponds to one vote.

14. Own shares

During the year ended at 31 December 2013, Sonaecom delivered to its employees 247,423 own shares under its Medium Term Incentive Plans.

Additionally, in 2013, Sonaecom sold to its subsidiaries 2,601 shares (at an average price of Euro 1.816), under the Short Term Incentive Plan of each company.

During the year ended at 31 December 2013, Sonaecom acquired 1,500,000 new shares (at an average price of Euro 1.667), holding at the end of the year 5,571,014 own shares, representative of 1.52% of its share capital, with an average price of Euro 1.515.



^{**} At 15 February 2013, Sonae and France Télécom ('FT-Orange') have concluded an agreement, which consisted in the assignment of a call and a put option, respectively, of the 20% stake in Sonaecom, held at that date by a subsidiary of FT-Orange. At 9 September 2013, the above mentioned option was exercised by Sonae and FT-Orange respectively.

^{***}The number of shares held by Millenium BCP, according with the information obtained on 15 May 2013, has been included in 'Free Float' because it does not correspond to a qualified participation.

15. Loans

At 31 December 2013 and 2012, the caption 'Loans' had the following breakdown:

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

				AMOUNT	TOUTCTANDING
				AMUUN	T OUTSTANDING
Issue denomination	Limit	Maturity	Type of reimbursement	2013	2012
'Obrigações Sonaecom SGPS 2011'	100,000,000	Mar-15	Final	-	100,000,000
'Obrigações Sonaecom SGPS 2010'	40,000,000	Mar-15	Final	-	40,000,000
'Obrigações Sonaecom SGPS 2012'	20,000,000	Jul-15	Parcel	-	20,000,000
'Obrigações Sonaecom SGPS 2013'	20,000,000	Jun-16	Final	20,000,000	-
Costs associated with financing set-up	-	-	-	(58,271)	(1,586,070)
Interests incurred but not yet due	-	-	-	61,767	1,745,020
				20,003,496	160,158,950
Commercial paper	30,000,000	Jul-15	-	-	30,000,000
Costs associated with financing set-up	-	-	-	-	(70,090)
Interests incurred but not yet due	-	-	-	-	150,770
				-	30,080,680
				20,003,496	190,239,630

b) Short-term loans and other loans

				AMOUN	T OUTSTANDING
Issue denomination	Limit	Maturity	Type of reimbursement	2013	2012
Treasury applications	-	-	-	21,654,000	6,298,000
Interests incurred but not yet due	-	-	-	6,813	6,168
				21,660,813	6,304,168
'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				-	(262,458)
Interest incurred but not yet due	-	-	-	-	377,316
				-	180,114,858
				21,660,813	186,419,026

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. During the year ended at 31 December 2013, Sonaecom settled the entire amount of the bond loan and respective interest expenses.

In February and March 2010, Sonaecom signed two other Bond Loan, both privately placed, in the amount of Euro 30 and 40 million, without guarantees and maturities of 3 and 5 years respectively. Both loans bear interest at floating rate indexed to Euribor, and paid semiannually. The issues were organised and mounted by, respectively, Banco Espirito Santo de Investimento and Caixa - Banco de Investimento. These bond issues were traded on Euronext Lisbon market. At 4 February 2013, the Company settled the bond loan of Euro 30 million. During the year ended at 31 December 2013, following the merger (note 5), the Boan Loan of Euro 40 million was transferred to Zon Optimus.

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. During the year ended at 31 December 2013, Portigon AG (previously named WestLB AG), transferred an amount of Euro 33.300.000 (corresponding to its entire participation in the loan) to Erste Abwicklungsanstalt ('EAA'), a state entity in German. During the year ended at 31 December 2013, following the merger (note 5), the Boan Loan of Euro 100 million was transferred to Zon Optimus.

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. During the year ended at 31 December 2013, following the merger (note 5), the Boan Loan of Euro 20 million was fully reimbursed and, subsequently, transferred to Zon Optimus the capacity to use this facility, in the form of commercial paper by the same amount.

In May 2013, Sonaecom signed a Boan Loan, privately placed, amounting to Euro 20 million, without guarantees and with a maturity date of three years. The bonds bear interest at floating rate indexed to Euribor and paid semiannually. This issue was organized and mounted by Caixa Económica Montepio Geral.

The loan above is unsecured and the fulfillment of the obligations under this loan 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 year 2013, was 2.71% (3.01% 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. In July 2012 the amount used and the interests were fully reimbursed. The placing underwriting consortium was 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 maximum amount of Euro 15 million with subscription grant and maturity of three years, organised by Caixa Económica Montepio Geral. In June 2013 an addition was made to the contract that lasted for one year, automatically renewable for equal periods up to a maximum of 5 years. In 31 December 2013, this credit line was not being used.

In July 2012, Sonaecom contracted a Commercial Paper Programme Issuance with 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 Programme Issuance with a maximum amount of Euro 25 million with subscription grant and maturity of one year, organised by Banco Santander Totta. During the year ended at 31 December 2013, following the merger (note 5), the two Commercial Paper Programmes were fully reimbursed and, subsequently, transferred to Zon Optimus the capacity to use this facility.

In May 2013, Sonaecom contracted a Commercial Paper Programme Issuance with maximum amount of Euro 30 million with subscription grant and maturity of eighteen months, organised by Banco Espírito Santo de Investimento and Banco Espírito Santo. During the year ended at 31 December 2013, following the merger (note 5), the Commercial Paper Programme of Euro 30 million was fully reimbursed and, subsequently, transferred to Zon Optimus the capacity to use this facility.

In June 2013, Sonaecom contracted a Commercial Paper Programme Issuance with maximum amount of Euro 100 million with subscription grant and maturity of one year, organised by Banco Comercial Português. During the year ended at 31 December 2013, following the merger (note 5), the Commercial Paper Programme of Euro 100 million was fully reimbursed and, subsequently, transferred to Zon Optimus the capacity to use this facility.

The average interest rate of the commercial papers, in the year, was 4.26% (1.52% in 2012).

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

At 31 December 2013, the main financial constraints (covenants) included in debt contracts are related with the bond issue completed by Sonaecom in May 2013, totaling Euro 20 million, organised by Caixa Económica Montepio Geral and establishing the obligation to ensure that consolidated net debt does not exceed three times the consolidated EBITDA. The penalties applicable in the event of default in these covenants are generally the early payment of the loans obtained.

At 31 December 2013 and at present date, Sonaecom was fully compliant with all the financial constraints above mentioned.

Bank credit lines of short-term portion

Sonaecom has also short term bank credit lines, in the form of current or overdraft account commitments, in the amount of Euro 1 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.

During the year ended at 31 December 2013, following the merger (note 5), bank credit line of short-term portion amounting Euro 10 million of Banco Popular was transferred to Zon Optimus.

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

	2013	2012
Sonaecom BV	14,720,000	-
Digitmarket	4,385,000	3,830,000
Sonaetelecom BV	1,559,000	1,579,000
Sonae com SI	800,000	-
Miauger	190,000	260,000
Saphety	-	580,000
Sonaecom SP	-	49,000
	21,654,000	6,298,000

The treasury applications received from Group companies are payable in less than one year and earn interests at market rates. During the years ended at 31 December 2013 and 2012, the treasury applications earned an average interest rate of 3.08% and 3.42%, respectively.

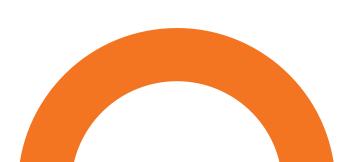
At 31 December 2013 and 2012, the repayment schedule of medium and long-term loans and of interests (nominal values), for both bonds and commercial paper were as follows (values based on the latest interest rate established for each type of loan):

	WITHIN 12 MONTHS	BETWEEN 12 AND 24 MONTHS	BETWEEN 24 AND 36 MONTHS	BETWEEN 36 AND 48 MONTHS	BETWEEN 48 AND 60 MONTHS
2013					
Bond loan					
Reimbursements	-	-	20,000,000	-	-
Interests	980,278	980,278	424,318	-	-
Commercial paper					
Reimbursements	-	-	-	-	-
Interests	-	-	-	-	
	980,278	980,278	20,424,318	-	-
2012					
Bond loan					
Reimbursements	-	-	160,000,000	-	-
Interests	5,840,405	5,726,552	1,398,895	-	-
Commercial paper					
Reimbursements	-	-	30,000,000	-	-
Interests	1,168,913	1,168,913	678,930		
	7,009,318	6,895,465	192,077,825	-	-

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 in the year ended at 31 December 2012.

At 31 December 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					
Bond loan	20,000,000	20,000,000	-		x
Commercial paper	15,000,000	-	15,000,000	x	
Authorised overdrafts	1,000,000	-	1,000,000	x	
	36,000,000	20,000,000	16,000,000		



					MATURITY
Credit	Limit	Amount outstanding	Amount available	Until 12 months	More than 12 months
2012					
Commercial paper	30,000,000	30,000,000	-		х
Commercial paper	25,000,000	-	25,000,000	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	-		х
Bond loan	40,000,000	40,000,000	-		x
Bond loan	30,000,000	30,000,000	-	x	
Bond loan	20,000,000	20,000,000	-		x
Overdraft facilities	16,500,000	-	16,500,000	x	
Authorised overdrafts*	10,000,000	-	10,000,000	x	
Authorised overdrafts	2,500,000	-	2,500,000	x	
	439,000,000	370,000,000	69,000,000		

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

At 31 December 2013 and 2012, there are no interest rate hedging instruments.

Based on the debt exposed to variable rates at the end of 2013, and considering the applications and bank balances at the same date, if market interest rates rise (fall), in average, 75bp during the year 2013, the interest paid that year would be decreased (increased) in an amount of approximately Euro 1,250,000.

16. Provisions and accumulated impairment losses

The movements in provisions and in accumulated impairment losses in the years ended 31 December 2013 and 2012 were as follows:

	OPENING BALANCE	INCREASES	REDUCTIONS	TRANSFERS	UTILIZATIONS	CLOSING BALANCE
2013						
Accumulated impairment losses on investments in Group companies (notes 5 and 23)	97,197,713	15,661,877	-	-	-	112,859,590
Accumulated impairment losses on other non-current assets (notes 8 and 23)	17,204,998	3,930,000	(14,838,739)	-	-	6,296,259
Provisions for other liabilities and charges	74,959	258,216	(706)	-	-	332,469
	114,477,670	19,850,093	(14,839,445)	-	-	119,488,318
2012						
Accumulated impairment losses on accounts receivables (note 10)	1,930	15,387	-	-	(17,317)	-
Accumulated impairment losses on investments in Group companies (notes 5 and 23)	80,122,497	10,681,481	-	6,393,735	-	97,197,713
Accumulated impairment losses on other non-current assets (notes 8 and 23)	8,555,505	15,043,228	-	(6,393,735)	-	17,204,998
Provisions for other liabilities and charges	68,654	6,305	-	-	-	74,959
	88,748,586	25,746,401	-	-	(17,317)	114,477,670

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 23).

At 31 December 2013 and 2012, the increase of 'Provisions for other liabilities and charges' includes the amount of Euro 168,062 and 4,561, respectively, registered in the financial statements, under the caption 'Income taxation', due to its' nature (note 24). Additionally, in 31 December 2013, the increase of 'Provisions for other liabilities and charges' include amounts to cover several contingencies related to probable liabilities resulting from several transactions which cash outflow is probable.

17. Other non-current liabilities

This caption, in the amounts of Euro 370,948 and Euro 174,176, at 31 December 2013 and 2012, respectively, corresponds to the medium and long-term amounts associated with the Medium Term Incentive Plans (note 28).

18. Other creditors

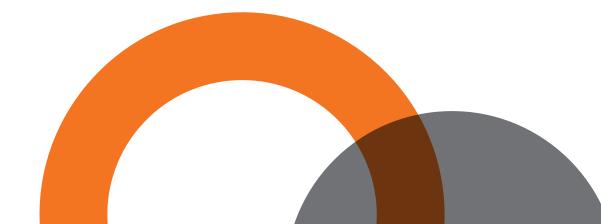
At 31 December 2013 and 2012, this caption was made up as follows:

		1
	2013	2012
Other creditors (note 25)	7,199,301	727,186
State and other public entities	108,972	101,075
	7,308,273	828,261

At 31 December 2013, the caption 'Other creditors' includes an amount of circa Euro 6 million referred to the amount to be paid to Optimus SA, Be Artis and Be Towering in relation to the termination of MTIP contract (note 28).

The liability to other creditors matures as follows:

	TOTAL	UNTIL 90 DAYS	FROM 90 TO 180 DAYS	MORE THAN 180 DAYS
2013				
Other creditors	7,199,301	7,199,301	-	_
	7,199,301	7,199,301	-	-
2012				
Other creditors	727,186	727,186	-	
	727,186	727,186	-	<u> </u>



19. Other current liabilities

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

	2013	2012
A d d	2013	2012
Accrued costs		
Staff expenses	555,627	561,065
Medium Term Incentive Plans (note 28)	334,477	225,445
Consultancy	100,558	107,690
Other accrued costs	2,055,658	109,633
	3,046,320	1,003,833
Deferred income		
Other deferred income	-	11,041
	-	11,041
	3,046,320	1,014,874

At 31 December 2013, the heading 'Other accrued costs' include the amount of Euro 1,943,340, related to accrued interests and not yet due of the Boan Loan that was transferred to Zon Optimus (note 15).

20. Services rendered

At 31 December 2013 and 2012, the caption 'Services rendered' was comprised by the charge of management fees to subsidiaries (note 25).

21. Other operating revenues

At 31 December 2013 and 2012, the caption 'Other operating revenues' was made up as follows:

	2013	2012
Supplementary income	113,105	-
Others	774	319
	113,879	319

At 31 December 2013, the heading 'Supplementary income' is, mostly, composed of income associated with guarantees that Sonaecom secured on behalf of its subsidiaries.

22. External supplies and services

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

	2013	2012
Specialised work	1,713,604	1,721,550
Travel and accommodation	112,905	90,333
Rents	101,607	91,185
Insurance	49,852	51,005
Communications	39,495	38,007
Honorários	11,139	458
Other external supplies and services	114,309	51,748
	2,142,911	2,044,286

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

	2013	2012
Minimum payments of operational leases:		
2013	-	21,788
2014	52,997	16,692
2015	52,997	16,692
2016	43,260	6,955
2017	32,723	-
2018	1,255	-
Renewable by periods of one year	-	129,974
	183,232	192,101

23. Financial results

Net financial results for the years ended 31 December 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, 8 and 16)	(171,801,781)	(26,087,858)
Gains related to Group companies	24,700,000	129,476,277
	(147,101,781)	103,388,419
Gains and losses on financial assets at fair value through profit or loss		
Gains on financial assets at fair value through profit or loss (note 7)	46,636,719	-
	46,636,719	-
Other financial expenses		
Interest expenses:		
Bank loans	(4,783,651)	(3,134,196)
Other loans	(6,111,696)	(10,601,176)
Bank overdrafts and others	-	(66)
	(10,895,347)	(13,735,438)
Foreign currency exchange losses	-	(1,622)
Other financial expenses	(315,920)	(500,994)
	(315,920)	(502,616)
	(11,211,267)	(14,238,054)
Other financial income		
Interest income	24,501,871	14,938,191
Foreign currency exchange gains	174	-
	24,502,045	14,938,191

At 31 December 2013, the losses related to Group companies include the increase of the impairment losses in other non-current assets (notes 8 and 16), in the amount of Euro 3,930,000, the increase of the impairment losses in Investments in group companies (notes 5 and 16), in the amount of Euro 823,138 and the loss arising from the merger (note 5), in the amount of Euro 167,048,643.

At 31 December 2013, the gains related to Group companies relates to dividends received from subsidiary Optimus SGPS.

At 31 December 2013, the gains related to financial assets at fair value through profit or loss corresponds to an increase in the fair value of the direct participation held in Zon Optimus (note 7), in the amount of Euro 46,636,719.

At 31 December 2013, the caption 'Interest income' includes the amount of Euro 4,674,111 received from Unitel, following the disposal of the shareholder loans to be received from Zopt to this entity (notes 5 and 8).

At 31 December 2012, the losses related to Group companies include an amount of Euro 363,149 related to the loss of the sale, to Optimus SGPS, of the entire capital of the share capital of Be Artis (note 5), the increase of the impairment losses in other noncurrent assets (notes 8 and 15), in the amount of Euro 15,043,228 and the increase in investments in Group companies (notes 5 and 15) in the amount of Euro 10,681,481.

At 31 December 2012, the gains related to Group companies relates to the dividends received from Optimus (Euro 68,175,378), Optimus SGPS (Euro 29,684,926), Sonae com SI (Euro 31,132,500) and Sontária (Euro 583,473).

24. Income Taxation

Income taxes recognized during the years ended at 31 December 2013 and 2012 were made up as follows ((costs) / gains):

		1
	2013	2012
Current tax	(1,322,289)	86,453
Tax provision (notes 9 and 15)	(168,062)	(4,561)
Closing balance	(1,490,351)	81,892

25. Related parties

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

				DAL ANGEG AT 7	1 DECEMBED 2017
					1 DECEMBER 2013
	Accounts receivable (note 10)	Accounts payable (note 18)	Treasury applications (note 12)	Other assets / (liabilities)	Loans granted / (obtained) (note 8 and 15)
Parent Company					
Sonae SGPS	850	49,000	-	(31,198)	-
Subsidiaries					
Miauger	-	60,086	-	-	(190,151)
PCJ	68,078	(100,277)	5,000	22,617	4,610,000
Público	85,696	925,581	1,345,000	7,560	1,780,000
Sonae com SI	180,605	1,401	-	70,643	14,854,257
Sonaecom BV	1,910	240,841	-	-	(14,720,000)
Sonae Telecom BV	-	25,335	-	-	(1,559,000)
Sonaecom SP	-	27,948	170,000	(45,021)	-
Others related parties					
Be Artis	-	2,860,366	-	-	-
Be Towering	4,596	111,261		3,737	
Digitmarket	4,784	44,434	-	-	(4,390,919)
Lugares Virtuais	-	210,390	-	-	-
Mainroad	56,125	32,451	-	167	-
Optimus	595,075	2,716,307		155,410	
Permar	-	-	-	-	-
Saphety	114,410	5,433	285,000	576	-
SonaecenterII	-	82,406	-	(94,260)	-
Wedo	670,392	(190,068)	1,365,000	1,903	-
Zon Optimus	10,203,626	-	-	(1,943,340)	-
Others	92,264	14,121	-	85,484	
	12,078,411	7,117,016	3,170,000	(1,765,722)	384,187

				BALANCES AT 3	1 DECEMBER 2012
	Accounts receivable (note 10)	Accounts payable (note 18)	Treasury applications (note 12)	Other assets / (liabilities)	Loans granted / (obtained) (note 8 and 15)
Parent Companies					
Sonae SGPS	-	47,256	-	-	-
Subsidiaries					
Miauger	16,014	493	-	255	(260,032)
Optimus SGPS	2,297,518	-	97,130,000	2,719,497	312,850,000
PCJ	189,839	-	25,000	35,316	4,690,000
Público	(2,306,582)	-	365,000	14,762	(467)
Sonae com SI	540	-	-	69,319	15,815,000
Sonaecom BV	93,453	2,935	-	50,823	2,075,000
Sonaetelecom BV	-	12,562	-	-	(1,579,000)
Sonaecom SP	12	288	-	-	(49,064)
Others related parties					
Be Artis	442,210	2,771	-	1,628	-
Be Towering	358,396	-	-	-	-
Digitmarket	24,574	20,890	-	(500)	(3,834,938)
Lugares Virtuais	(154,066)	369	510,000	1,850	-
Mainroad	534,233	4,269	15,000	1,133	-
Optimus	5,354,773	179,032	-	342,629	-
Permar	2,084	-	-	-	-
Saphety	93,180	7,056	-	(9,941)	(580,668)
Wedo	589,208	-	640,000	283,489	-
Others	611	30,940	-	(96,919)	-
	7,535,996	308,861	98,685,000	3,413,341	329,125,831

	TRANSACTIONS AT 31 DECEMBER 201			L DECEMBER 2013
	Sales and services rendered (note 20)	Supplies and services received (note 22)	Interest and similar income / (expense) (note 23)	Supplementary income (note 21)
Parent Company				
Sonae SGPS	-	48,600	685,345	-
Subsidiaries				
Miauger	-	-	(4,759)	-
PCJ	-	-	271,236	-
Público	119,391	(48,343)	131,074	1
Sonae com SI	4,626	-	692,980	-
Sonaecom BV	-	-	(442,398)	-
Sonaecom SP	-	78,955	(881)	-
Others related parties				
SonaecencterII	(9,917)	645,794		-
Optimus	2,209,035	282,501	-	113,104
Be Artis	-	24,985	-	-
Digitmarket	40,904	-	(131,098)	-
Lugares Virtuais	21,423	2,400	42,884	-
Mainroad	40,417	-	33,129	-
Saphety	42,846	(104,291)	11,357	-
Wedo	123,754	3,410	68,147	-
Zon Optimus	-	(526,753)	17,520,021	-
Others	-	58,020	(50,448)	
	2,592,479	465,278	18,826,589	113,105

		Т	RANSACTIONS AT 3	1 DECEMBER 2012
	Sales and services rendered (note 20)	Supplies and services received (note 22)	Interest and similar income / (expense) (note 23)	Supplementary income (note 21)
Parent Companies				
Sonae SGPS	(23,800)	52,756	258,537	-
Subsidiaries				
Miauger	-	-	(2,790)	-
Optimus SGPS	-	-	6,195,738	=
PCJ	-	-	239,956	-
Público	123,347	(3,798)	136,233	-
Sonae com SI	3,794	(14,494)	621,678	-
Sonaecom BV	-	-	876,294	
Sonaetelecom BV	-	-	(39,665)	-
Sonaecom SP	-	-	(1,058)	
Others related parties				
Optimus	3,038,639	706,905	711,990	
Be Artis	-	23,871	5,111,927	
Be Towering	-	(51,487)	146,179	
Wedo	127,672	-	225,657	=
Others	222,582	383,742	(12,290)	=
	3,492,234	1,097,495	14,468,386	-

During the years ended at 31 December 2013 and 2012, the company recognized the total amount of Euro 24,700,000 and Euro 129,476,277, respectively, related to dividends from its subsidiaries (note 23).

In the year ended at 31 December 2012, besides these transactions, it was sold of the entire share capital of Be Artis and Sontária to Optimus SGPS and it was increased the capital of Optimus SGPS, by contribution in kind, through the delivery of the entire participation in Optimus - Comunicações, S.A. (note 5).

During 2012, the Group signed an agreement with Sonae SGPS, under which Sonae compromise to transfer to employees and board members of Sonaecom, Sonaecom shares, at the price of 1.184 euros, until 2016, as requested by Sonaecom and under the MTIP of Sonaecom. Under this contract, Sonaecom paid to Sonae SGPS, SA the amount of EUR 3,291,520. During the year ended at 31 December 2013, Sonaecom partially anticipated the maturity of the contract, receiving the amount of Euro 4,444,207.

In the year ended at 31 December 2013, following the merger between Zon Multimédia - Serviços de Telecomunicações e Multimédia, SGPS, S.A. and Optimus SPGS, S.A. and the constitution of Zopt, a capital increase was made in Zopt, amounting to Euro 598 million and loans were granted to Zopt, amounting to Euro 230 million. Later, part of these loans (Euro 115 million) were disposed to Unitel (note 5, 8 and 23).

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.

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

26. Guarantees provided to third parties

Guarantees provided to third parties at 31 December 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	2,162,476
Direção de Contribuições e Impostos (Portuguese tax authorities)	Others	16,795	16,795
		8,669,379	8,135,002

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 10,529,619.

At 31 December 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.

27. Earnings per share

Earnings per share, basic and diluted, are calculated by dividing the net income of the year (negative Euro 90,569,383 in 2013 and Euro 103,229,835 in 2012) by the average number of shares outstanding during the years ended at 31 December 2013 and 2012, net of own shares (360,941,333 in 2013 and 359,390,746 in 2012).

28. 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 December 2013 can be summarized as follows:

			VESTING PERIOD	3:	1 DECEMBER 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	2	206,064
2011 Plan	1.256	09-Mar-12	10-Mar-15	2	221,505
2012 Plan	1.505	08-Mar-13	10-Mar-16	2	129,694
Sonae SGPS shares					
2009 Plan	0.761	10-Mar-10	08-Mar-13	-	-
2010 Plan	0.811	10-Mar-11	10-Mar-14	2	214,640
2011 Plan	0.401	09-Mar-12	10-Mar-15	2	419,985
2012 Plan	0.701	08-Mar-13	10-Mar-16	2	163,966

^{*}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 year ended at 31 December 2013, the movements that occurred in the plans can be summarized as follows:

	SO	NAECOM 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 year:				
Awarded	3	186,159	3	250,399
Vested	(4)	(247,423)	(4)	(342,242)
Cancelled / lapsed / corrected*	(3)	(167,680)	(3)	(296,353)
Outstanding at 31 December 2013:				
Unvested	6	557,263	6	798,591
Total	6	557,263	6	798,591

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

For Sonaecom's share plans of 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, the Group entered into hedging contract 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	2012 Plan	2011 Plan
Notional value	257,574	323,727	268,451	492,439
Maturity	Mar-14	Mar-15	Mar-16	Dec-16
Level of inputs in the hierarchy of fair value				Level 2
Valuation method				Current replacement cost
Fair value*	174,734	490,711	125,071	634,672

^{*} For the fair value calculation was used the share price at December 31

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 year ended at 31 December 2013, were as follows:

	SONAECOM SHARES	SONAE SGPS SHARES	ZON OPTIMUS SGPS SHARES	TOTAL
Costs recognised in previous years	2,595,999	3,212,054	129,532	5,937,585
Costs recognised in the year	309,436	164,200	269,551	743,187
Costs of plans vested in previous years	(2,025,205)	(2,862,603)	-	(4,887,808)
Costs of plans vested in the year	(406,268)	(250,357)	-	(656,625)
	473,962	263,294	399,083	1,136,339
Responsability of plans	756,970	898,769	399,083	2,054,822
Fair value of hedging contracts (1)	(283,008)	(635,475)	-	(918,483)
Recorded in cash and cash equivalents (2)	-	-	(43,048)	(43,048)
Recorded in other current liabilities (note 19)	=	126,013	208,464	334,477
Recorded in other non current liabilities (note 17)	-	137,281	233,667	370,948
Recorded in reserves	473,962	-	-	473,962

⁽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.

⁽²⁾ Sonaecom partially anticipated the maturity of the hedging contract with Sonae SGPS, receiving an amount equivalent to the present market value of Sonaecom shares.

In 27 August 2013, part of the Sonaecom and Sonae SGPS plans outstanding were converted to Zon Optimus plans. The conversion of the Sonaecom plans was made according to the merger ratio, but the conversion of Sonae SGPS plans was made according to the fair value of the shares. This decision was duly approved by the Board Nominations and Remunerations Committee. The cost of Zon Optimus plans was recognized until 30 September 2013, date on which Zon Optimus started to take responsibility for them. The responsibility of these plans was calculated based on share price of 30 September 2013 and was recorded under the headings of 'Other current liabilities' and 'Other non-current liabilities'.

29. Remuneration attributed to the key management personnel

During 2013 and 2012, the remunerations paid to Directors and other members of key management in functions at the years ended 31 December 2013 and 2012 were as follows:

	2013	2012
Short-term employee benefits*	1.223.450	1,710,382
Share-based payments*	370,100	455,700
	1.593.550	2,166,082

 $^{^{\}star}$ Remuneration for key management personal transferred to Zon Optimus, has not been considered, following the merger between Optimus SGPS and Zon.

The short-term employee benefits, which include the salary and performance bonus, were calculated on an accruals basis. The share-based payments for 2013 and 2012 correspond to the value of the Medium Term Incentive Plan and will be awarded in 2014, in respect of performance during 2013 (and the Medium Term Incentive Plan awarded in 2013 in respect of performance during 2012, for the 2012 amounts), whose shares, or the cash equivalent, will be delivered in March 2017 and March 2016, respectively. Full details on the Group remuneration policy are disclosed in the Corporate Governance Report.

30. Average number of employees

During the years ended at 31 December 2013 and 2012, the company employed an average number of 4 in both years. At 31 December 2013, the number of employees was 3.

31. Fees of Statutory Auditor

In 2013 and 2012, the Company paid, in respect of fees, to the Statutory Auditor, Deloitte, and its network of companies, the following amounts:

	-	
Total	20,877	61,816
Tax advice	2,877	30,030
Other guarantee and reliability services	10,000	22,000
Statutory audit	8,000	9,786
	2013	2012

32. Other matters

On 29 October 2013, Sonaecom has announced to make a voluntary tender offer for the acquisition of a maximum of 88,479,803 shares representing 24.16% of its own share capital. This transaction takes place after the merger of Optimus SGPS, S.A. and Zon Multimédia, SGPS, S.A., of which resulted Zon Optimus SGPS, S.A., in which Sonaecom, as a previous Optimus shareholder, became thereinafter the direct holder of 37,489,324 shares representing 7.28% of the share capital and voting rights of Zon Optimus and the indirect joint holder of 50.01% of the share capital and voting rights in Zon Optimus, through the 50% equity holding in Zopt, SGPS, S.A..

Sonaecom has the intention to accordingly give the option to its shareholders to sell, in equal standing conditions, their Sonaecom shares for consideration of the directly held 37,489,324 Zon Optimus shares, which are not necessary to the pursuit of Sonaecom's business purposes, thereby enabling direct exposure of Sonaecom shareholders to Zon Optimus, the reference asset of Sonaecom portfolio.



Sonaecom offers an overall price equivalent to Euro 2.45 per Sonaecom share, to be composed of Zon Optimus shares and, where applicable, a remaining cash amount, which represents a premium, per Sonaecom share, of circa: 10% over Sonaecom share closing price at 28 October 2013 and over the average weighted closing price of the last 30 days; 24% by reference to the last 90 days average weighted closing price of Sonaecom share; and 17% in relation to Sonaecom share average target price of Euro 2.10. For determining the Sonaecom/Zon Optimus share trade ratio, it was taken into consideration Zon Optimus share average weighed closing price of the last 5 trading days, which was that of Euro 5.08 per Zon Optimus share.

33. Subsequent events

On 23 and 24 January 2014, under terms previously authorized by the Portuguese Securities Market Commission, CMVM, Sonae -SGPS, S.A. (Sonae) acquired over the counter 1,454,134 Sonaecom shares from Sonaecom directors and related parties.

The consideration of this acquisition was determined and settled on 20 February 2014, the date of calculation of the results of the tender offer, by the same amount paid to the shareholders who accepted the offer. Following this transaction, Sonae became the direct holder of 78,133,508 shares and the indirect holder of 194,063,119 shares, giving Sonae a total participation of 272,196,627 Sonaecom shares.

On 5 February 2014, Sonaecom made public the decision to launch a general and voluntary tender offer for the acquisition of shares representing the share capital of Sonaecom.

The offer was general and voluntary, with the offerer obliged to acquire all the shares that were the object of the offer and were, until the end of the respective period, subject to valid acceptance by the recipients.

The period of the offer, during which sales orders were received, ran for two weeks, beginning on 6 February and ending on 19 February 2014.

On 20 February 2014, the results of the offer were released. The level of acceptance reached 62%, corresponding to 54,906,831 Sonaecom shares. During the year 2014 Sonaecom will thus reduce its share capital in circa EUR 136 million. Euronext announced Sonaecom exclusion from the PSI-20 from 24 February 2014.

The physical and financial settlement of the offer occurred on 25 February 2014, being the consideration of the offer composed by 26,476,792 ZON OPTIMUS shares and 19,631 euros in cash.

Following the offer, Sonaecom became the holder of 11,012,532 ZON OPTIMUS shares, corresponding to 2.14% of the company's share capital.

On 28 February 2014, Goldman Sachs Inc. informed Sonaecom about the reduction of its qualifying holding on 25 February 2014 from 2.12% to 0.79% of its share capital, corresponding to 2,881,353 shares and voting rights.

Sonae-SGPS, S.A. informed Sonaecom on the acquisition, from 24 february to 7 march 2014, of shares representing the share capital and voting rights of Sonaecom. After the completion of this transaction, Sonae is the direct holder of 79,097,818 shares of Sonaecom, and the 194.063.119 voting rights corresponding to the shares held by its subsidiary Sonae Investiments, B.V. will continue to be attributable to it.

These consolidated financial statements were approved by the Board of Directors on 10 March 2014.

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 December 2013, the related parties of Sonaecom, SGPS, S.A. are as follows

KEY MANAGEMENT PERSONNEL - SONAECOM

Ana Cristina Dinis da Silva Fanha Vicente Soares Franck Emmanuel Dangeard Ângelo Gabriel Ribeirinho dos Santos Paupério Gervais Gilles Pellissier António Bernardo Aranha da Gama Lobo Xavier Jean-François René Pontal António de Sampaio e Mello Maria Cláudia Teixeira de Azevedo David Charles Denholm Hobley Miguel Nuno Santos Almeida David Graham Shenton Bain Pedro Rafael de Sousa Nunes Pedro Duarte Paulo Teixeira de Azevedo 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

Cape Technologies Limited Sonaecom - Serviços Partilhados, S.A.

Digitmarket - Sistemas de Informação, S.A. Sonaetelecom BV

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

PCJ - Público, Comunicação e Jornalismo, S.A. WeDo Consulting - Sistemas de Informação, S.A.

Praesidium Services Limited WeDo Technologies Mexico, S de R.L.

Público - Comunicação Social, S.A. We Do Technologies Panamá S.A. WeDo Poland Sp. Z.o.o. Saphety Brasil Transações Eletrônicas Ltda.

Saphety – Transacciones Electronicas SAS We Do Technologies Singapore PTE. LTD.

Saphety Level - Trusted Services, S.A. WeDo Technologies Australia PTY Limited Sociedade Independente de Radiodifusão Sonora, S.A. WeDo Technologies Egypt LLC

Sonae com - Sistemas Informação, SGPS, S.A. WeDo Technologies (UK) Limited

Sonaecom - Sistemas de Información España, S.L. WeDo Technologies Americas, Inc.

WeDo Technologies BV Sonaecom BV

Sonaecom, SGPS, S.A. WeDo Technologies BV - Sucursal Malaysia



SONAE/EFANOR/ZON GROUP COMPANIES

3shoppings - Holding, SGPS, S.A ADD Avaliações Eng. A.e Pericias, Ltda

Adlands B.V. Aegean Park,SA

Agepan Eiweiler Management GmbH Agepan Tarket Laminate Park GmbH Co. KG

Agloma Investimentos, Sgps, S.A. Agloma-Soc.Ind.Madeiras e Aglom.,SA Airone - Shopping Centre, Srl ALEXA Administration GmbH ALEXA Holding GmbH

ALEXA Shopping Centre GmbH Algarveshopping- Centro Comercial, S.A.

Aqualuz - Turismo e Lazer, Lda

Arat Inmuebles, S.A.

ARP Alverca Retail Park, SA

Arrábidashopping-Centro Comercial, S.A.

Aserraderos de Cuellar,SA

Atlantic Ferries-Tráf.Loc,Flu.e Marít,SA

Avenida M-40 B.V. Azulino Imobiliária, S.A. BA Business Angels, SGPS, SA

BA Capital, SGPS BB Food Service, SA

Be Artis-Conc., Const.e Gest. Redes Com, SA Be Towering-Gestão de Torres de Telec,SA

Beeskow Holzwerkstoffe

Beralands BV

Bertimóvel - Sociedade Imobiliária, S.A.

BIG Picture 2 Films

Dos Mares-Shopping Centre, S.A.

Dreamia BV

Dreamia, Serv de Televisão, SA Ecociclo - Energia e Ambiente, SA

Ecociclo II

Edições Book.it, S.A.

Efanor Investimentos, SGPS, S.A. Efanor Serviços de Apoio à Gestão, S.A. Empracine-E.Pro.Act. Cinem,Lda Empreend.Imob.Quinta da Azenha,SA

Equador & Mendes,Lda

Estação Viana - Centro Comercial, S.A. Estêvão Neves-Hipermercados Madeira,SA Euroresinas-Indústrias Quimicas,SA

Farmácia Selecção, SA

Bloco Q-Sociedade Imobiliária,SA Bloco W-Sociedade Imobiliária,SA BOM MOMENTO - Restauração, S.A.

Canasta-Empreendimentos Imobiliários, SA Carnes do Continente-Ind.Distr.Carnes,SA Casa da Ribeira - Hotelaria e Turismo, SA Cascaishopping- Centro Comercial, S.A. Cascaishopping Holding I, SGPS, S.A. CCCB Caldas da Rainha-Centro Com., SA Centro Colombo- Centro Comercial, S.A. Centro Residencial da Maia.Urban..SA Centro Vasco da Gama-Centro Comercial, SA Chão Verde-Soc.Gestora Imobiliária,SA

Cinclus Imobiliária,SA

Citorres-Sociedade Imobiliária,SA Coimbrashopping-Centro Comercial, S.A.

Colombo Towers Holding, BV Contacto Concessões, SGPS, S.A.

Contibomba-Comérc.Distr.Combustiveis,SA Contimobe-Imobil.Castelo Paiva,SA Continente Hipermercados, S.A. Country Club da Maia-Imobiliaria,SA

Craiova Mall BV

Cronosaúde - Gestão Hospitalar, S.A. Cumulativa - Sociedade Imobiliária, S.A.

Darbo SAS

Discovery Sports, SA Distodo Distribui e Logist,Lda

Dortmund Tower GmbH

Dos Mares - Shopping Centre B.V. Imoareia - Invest. Turísticos, SGPS, SA

IMOBEAUTY, S.A. Imobiliária da Cacela, S.A. Imoclub-Serviços Imobilários,SA Imoconti- Soc.Imobiliária,SA

Imodivor - Sociedade Imobiliária, S.A. Imoestrutura-Soc.Imobiliária,SA Imohotel-Emp.Turist.Imobiliários,SA Imomuro-Sociedade Imobiliária,SA Imopenínsula - Sociedade Imobiliária, SA Imoplamac Gestão de Imóveis,SA Imoponte-Soc.Imobiliaria,SA

Imoresort - Sociedade Imobiliária, S.A. Imoresultado-Soc.Imobiliaria,SA Imosedas-Imobiliária e Seviços,SA

SONAE/EFANOR/ZON GROUP COMPANIES

(continue)

Fashion Division Canárias, SL

Fashion Division, S.A.

FINSTAR-Socied.Investim.Par SA Fozimo-Sociedade Imobiliária,SA

Fozmassimo - Sociedade Imobiliária, SA

Freccia Rossa-Shopping Centre S.r.l. Fundo de Invest. Imobiliário Imosede

Fundo Esp.Inv.Imo.Fec. WTC

Fundo I.I. Parque Dom Pedro Shop.Center

Fundo Invest. Imobiliário Imosonae Dois Fundo Invest.Imob.Shopp. Parque D.Pedro

Gaiashopping I- Centro Comercial, S.A.

Gaiashopping II- Centro Comercial, S.A.

GHP Gmbh

Gli Orsi Shopping Centre 1 Srl

Glunz AG

Glunz Service GmbH Glunz UK Holdings Ltd Glunz Uka Gmbh

Golf Time-Golfe e Invest. Turísticos, SA Guimarãeshopping-Centro Comercial, S.A.

Harvey Dos Iberica, S.L.

Herco Consul.Riscos Corret.Seguros, Ltda

Herco, Consultoria de Risco, S.A. HighDome PCC Limited

Iberian Assets, SA

Igimo-Sociedade Imobiliária,SA Iginha-Sociedade Imobiliária, SA. Lusomundo Soc. Inv. Imob. SA 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,SA

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.,SA

Martimope-Empreendimentos Turísticos, SA

Marvero-Expl.Hoteleira Imob.,SA

MDS Affinity-Sociedade de Mediação Lda

MDS Africa SGPS, S.A.

MDS Auto - Mediação de Seguros, SA MDS Corretor de Seguros, SA

Imosistema-Sociedade Imobiliária,SA

Impaper Europe GmbH Implantação - Imobiliária, S.A. Infofield-Informática,SA

Inparsa - Gestão Galeria Comercial, SA

Inparvi SGPS, SA Integrum - Energia, SA Integrum Colombo Energia, SA Integrum Martim Longo - Energia, S.A.

Integrum Vale do Caima - Energia, SA Integrum Vale do Tejo - Energia, SA

Interlog-SGPS,SA

Invesaude - Gestão Hospitalar S.A. Ioannina Develop. of Shopping Centers SA

Isoroy SAS

La Farga - Shopping Center, SL

Land Retail B.V.

Larim Corretora de Resseguros, Ltda Larissa Develop. of Shopping Centers, SA Lazam MDS Corretora e Adm. Seguros, SA Le Terrazze - Shopping Centre 1 Srl

Libra Serviços, Lda.

Loop 5 - Shopping Centre, GmbH Lusomundo Audiovisuais, SA Lusomundo Cinemas, SA Lusomundo España, SL Lusomundo Imobiliária 2, SA Lusomundo Moçambique, Lda

Pareuro, BV

Park Avenue Develop. of Shop. Centers SA

Parklake Shopping Srl

Parque Atlântico Shopping - C.C., SA

Parque D. Pedro 1 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,SA Per-Mar-Sociedade de Construções,SA

SONAE/EFANOR/ZON GROUP COMPANIES (continue)

 Mds Knowledge Centre, Unipessoal, Lda
 Pharmaconcept - Actividades em Saúde, SA

 MDS Malta Holding Limited
 PHARMACONTINENTE - Saúde e Higiene, S.A.

MDS, SGPS, SA PJP - Equipamento de Refrigeração, Lda

Megantic BV Plaza Eboli B.V.

Miral Administração Corretagem Seg, Ltda

MJLF-Empreendimentos Imobiliários, SA

Modalfa-Comércio e Serviços, SA

Modalfa-Comércio e Serviços, SA

MODALLOOP - Vestuário e Calçado, SA

Modelo - Dist.de Mat. de Construção, SA.

Modelo Continente Hipermercados, SA

Modelo Continente International Trade, SA

Modelo Continente International Trade, SA

Plaza Eboli - Centro Comercial S.A.

Plaza Mayor Holding, SGPS, S.A.

Plaza Mayor Parque de Ócio B.V.

Plaza Mayor Parque de Ocio, SA

Plaza Mayor Shopping B.V.

Plaza Mayor Shopping, SA

Poliface North America

Modelo Hiper Imobiliária, SA Porturbe-Edificios e Urbanizações, SA

 Modelo.com-Vendas p/Correspond.,SA
 Praedium - Serviços, SA

 Movelpartes-Comp.para Ind.Mobiliária,SA
 Praedium II-Imobiliária,SA

 Movimento Viagens-Viag. e Turismo U.Lda
 Praedium SGPS, SA

MSTAR, SA Predicomercial-Promoção Imobiliária, SA

Münster Arkaden BVPrédios Privados Imobiliária,SANorte Shop. Retail and Leisure Centre BVPredisedas-Predial das Sedas,SA

Norteshopping-Centro Comercial, S.A.

Proj. Sierra Germany 4 (four)-Sh.C.GmbH

Nova Equador Internacional, Ag.Viag.T,Ld

Proj. Sierra Italy 2 - Dev.of Sh.C. Srl

Nova Equador P.C.O. e Eventos

Proj. Sierra Germany 2 (two)-Sh.C.GmbH

Novobord (PTY) Ltd. Project 4, Srl

Novodecor (PTY), LTD Project SC 1 BV

Optimus - Comunicações, S.A. Project SC 2 BV

OSB Deustchland Gmbh Project Sierra 11 BV

Pantheon Plaza BV Project Sierra 12 BV

Paracentro - Gest.de Galerias Com., S.A. Project Sierra 2 BV.

Project Sierra 6 BV Sierra Developments, SGPS, S.A.

Project Sierra 8 BV Sierra Enplanta Ltda

Project Sierra Four Srl Sierra European R.R.E. Assets Hold. B.V.

Project Sierra Spain 1 B.V. Sierra Germany GmbH
Project Sierra Spain 2 B.V. Sierra GP Limited

Project Sierra Spain 2-Centro Comer. SA Sierra Greece, S.A.

Project Sierra Spain 3 B.V. Sierra Investimento

Project Sierra Spain 3 B.V. Sierra Investmentos Brasil Ltda
Project Sierra Spain 3-Centro Comer. SA Sierra Investments (Holland) 1 B.V.

Project Sierra Two Srl Sierra Investments (Holland) 2 B.V.

Promessa Sociedade Imobiliária, S.A. Sierra Investments Holding B.V.

Quorum Corretores de Seguros Ltda Sierra Investments SGPS, S.A.

Racionaliz. y Manufact.Florestales,SA Sierra Italy Holding B.V.

Raso - Viagens e Turismo, S.A. Sierra Italy Srl

Raso, SGPS, SA Sierra Management, SGPS, S.A.

River Plaza BV Sierra Portugal, SA

River Plaza Mall, Srl Sierra Property Management Greece, SA Rochester Real Estate, Limited Sierra Romania Sh. Centers Services Srl

RSI Corretora de Seguros, Ltda Sierra Services Holland B.V.

SONAE/EFANOR/ZON GROUP COMPANIES

(continue)

S.C. Microcom Doi Srl

Saúde Atlântica - Gestão Hospitalar, SA Sierra Spain 2 Services, S.A.

SC Aegean B.V. Sierra Spain, Shop. Centers Services, SL

Sierra Solingen Holding GmbH

Somit Imohiliária SA

SC Assets SGPS, SA Sierra Zenata Project B.V.

SC Finance BV SII - Soberana Invest. Imobiliários, SA

SC Mediterranean Cosmos B.V. SISTAVAC, S.A.

SC, SGPS, SA SISTAVAC, SGPS, S.A.

SISTAVAC-Sistemas HVAC-R do Brasil, Ltda SC-Consultadoria,SA

SC-Eng. e promoção imobiliária, SGPS, S.A SKK SRL

SCS Beheer,BV SKK-Central de Distr.,SA

SDSR - Sports Division 2, S.A. SKKFOR - Ser. For. e Desen. de Recursos SDSR - Sports Division SR, S.A. Soc.Inic.Aproveit.Florest.-Energias,SA Selifa-Empreendimentos Imobiliários, SA Société de Tranchage Isoroy SAS. Sempre à Mão - Sociedade Imobiliária,SA Socijofra-Sociedade Imobiliária,SA

Sesagest-Proj.Gestão Imobiliária,SA Sociloures-Soc.Imobiliária,SA

Sete e Meio - Invest. Consultadoria, SA Soconstrução BV Sete e Meio Herdades-Inv. Agr. e Tur.,SA Soflorin,BV

Shopping Centre Colombo Holding, BV Soira-Soc.Imobiliária de Ramalde,SA Shopping Centre Parque Principado B.V. Solinca - Health & Fitness, SA SIAL Participações, Lda Solinca-Investimentos Turísticos,SA Sierra Asia Limited Solinfitness - Club Malaga, S.L.

Sierra Berlin Holding BV Solingen Shopping Center GmbH Sierra Brazil 1 B.V. SOLSWIM-Gestão e Expl.Equip.Aquáticos,SA Sierra Central S.A.S. Soltroia-Imob.de Urb.Turismo de Tróia,SA

Sierra Developments Holding B.V. Sierra Investments (Holland) 1 B.V. Sonae - Specialized Retail, SGPS, SA

Sierra Investments (Holland) 2 B.V. Sonae Capital Brasil, Lda Sierra Investments Holding B.V. Sonae Capital, SGPS, SA

Sierra Investments SGPS, S.A. Sonae Center Serviços II, SA

Sierra Italy Holding B.V. Sonae Ind., Prod. e Com.Deriv.Madeira,SA Sierra Management Germany GmbH Sonae Indústria - Management Services, SA

Sierra Management Italy S.r.l. Sonae Industria (UK),Ltd

Sierra Management Romania, Srl Sonae Industria de Revestimentos,SA

Sierra Management Spain – Gestión C.Com.S.A. Sonae Indústria-SGPS,SA Sierra Management, SGPS, S.A. Sonae Investimentos, SGPS, SA

Sierra Portugal, S.A. Sonae Investments, BV

SII - Soberana Invest. Imobiliários, S.A. Sonae MC - Modelo Continente, SGPS, SA

SIRS - Sociedade Independente de Radiodifusão Sonora, S.A. Sonae Novobord (PTY) Ltd

SISTAVAC, S.A. Sonae RE, S.A.

SKK - Central de Distr. S.A. Sonae Retalho Espana-Servicios Gen.,SA

SKK SRL Sonae SGPS, SA SKKFOR - Ser. For. e Desen. de Recursos Sonae Sierra Brasil SA Sociedade de Construções do Chile, S.A. Sonae Sierra Brazil B.V. Société de Tranchage Isoroy S.A.S. Sonae Sierra, SGPS, S.A. Socijofra - Sociedade Imobiliária, S.A. Sonae Tafibra Benelux, BV



Soflorin, BV

SONAE/EFANOR/ZON GROUP COMPANIES (continue) Sociloures – Soc.Imobiliária, S.A. Sonae Turismo-SGPS,SA Soconstrução BV SONAECENTER SERVIÇOS, SA Sodesa, S.A. Sonaegest-Soc.Gest.Fundos Investimentos

Sonaerp - Retail Properties, SA

Soira – Soc.Imobiliária de Ramalde, S.A.	Sondis Imobiliária,SA
Solinca - Eventos e Catering, SA	Sontaria-Empreend.Imobiliários,SA
Solinca - Health and Fitness, SA	Sontel BV
Colinea Investimentos Turísticos C A	Contur DV

Solinca – Investimentos Turísticos, S.A.

Sontur BV

Solinfitness – Club Malaga, S.L.

Sonvecap BV

Solingen Shopping Center GmbH

Sopair, S.A.

SOLSWIM-Gestão e Expl.Equip.Aquáticos,SA Sótaqua - Soc. de Empreendimentos Turist

 Soltroia – Imob. de Urb. Turismo de Tróia, S.A.
 Spanboard Products, Ltd

 Somit Imobiliária
 SPF- Sierra Portugal

 SONAE - Specialized Retail, SGPS, SA
 Spinarq Moçambique, Lda

Sonae Capital Brasil, Lda Spinarq-Engenharia, Energia e Ambiente, SA
Sonae Capital, SGPS, S.A. Spinveste - Promoção Imobiliária, SA
Sonae Center II S.A. Spinveste-Gestão Imobiliária SGII, SA

Sonae Center Serviços, S.A. Sport TV Portugal, SA
Sonae Ind., Prod. e Com.Deriv.Madeira, S.A. Sport Zone Canárias

Sonae Indústria – SGPS, S.A.

Sport Zone España-Com.Art.de Deporte,SA

Sonae Industria de Revestimentos, S.A.

Sport Zone Turquia

Sonae Indústria Manag. Serv, SA
Sonae Investimentos, SGPS, SA
Sonae Novobord (PTY) Ltd
Sonae Novobord (PTY) Ltd
Sonae Novobord (PTY) Ltd
Sonae Novobord (PTY) Ltd

Sonae RE, S.A. Tafibra Suisse, SA

Tafisa Canadá Societé en Commandite

Valecenter Srl

VALOR N, S.A.

Tafisa France, SA

Via Catarina- Centro Comercial, S.A.

Tafisa InvestissementViajens y Turismo de Geotur España, S.L.Tafisa ParticipationVistas do Freixo-Emp.Tur.Imobiliários,SA

Tafisa UK,Ltd Vuelta Omega, S.L.

Tafisa-Tableros de Fibras, SA Weiterstadt Shopping BV

Taiber,Tableros Aglomerados Ibéricos,SL World Trade Center Porto, S.A.

Tecmasa Reciclados de Andalucia, S.L. Worten Canárias

 Teconologias del Medio Ambiente, SA
 Worten España Distribución, SL

 Teliz Holding B.V.
 Worten-Equipamento para o Lar, SA

 Textil do Marco, SA
 ZIPPY - Comercio y Distribución, S.A.

Textil do Marco, SAZIPPY - Comercio y Distribución, S.ATLANTIC B.V.ZIPPY - Comércio e Distribuição, SATlantic Portugal-Sist. de Informação, SAZippy Turquia

 Tlantic Sistemas de Informação Ltdª
 Zon Audiovisuais, SGPS

 Todos os Dias-Com.Ret.Expl.C.Comer.,S.A.
 Zon Cinemas, SGPS

 Tool Gmbh
 Zon Conteúdos, Lda

Torre Ocidente, Imobiliária, SA

Torre São Gabriel-Imobiliária,SA

Troia Market-Supermercados, S.A.

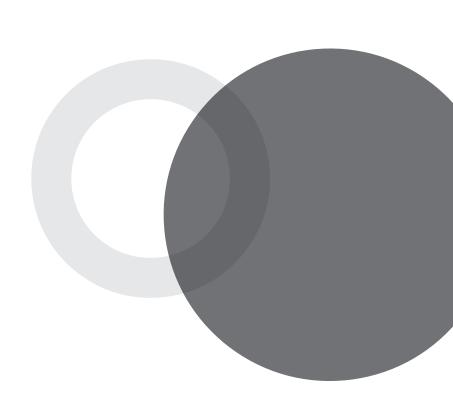
ZON III-COMUNICAÇ ELETRÓN SA

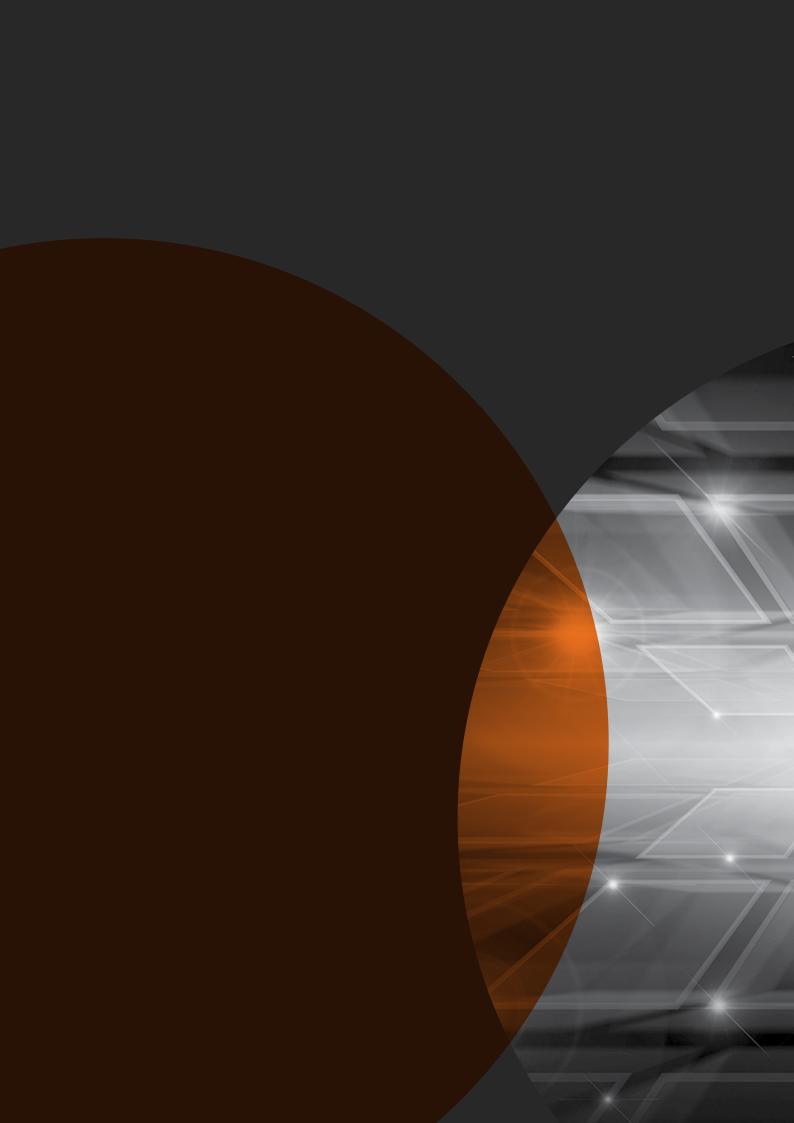
ZON II-SERVIÇOS TELEVISÃO,SA

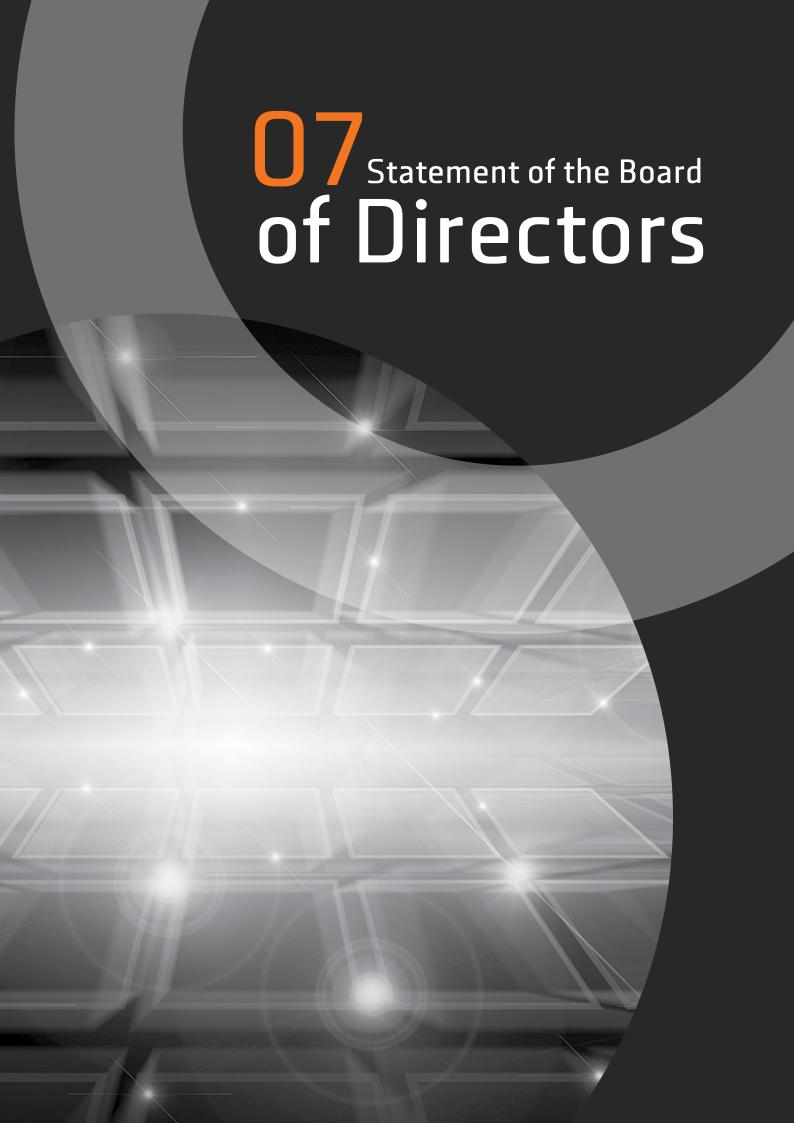
ZON Finance BV

	(continue)
Zon Lusomundo TV Lda	
ZON OPTIMUS, SGPS, S.A.	
Zon TV Cabo Açoreana, SA	
Zon TV Cabo Madeirense, SA	
Zon TV Cabo SGPS SA	
Zon TV Cabo, SA	
Zubiarte Inversiones Inmob,SA	
ZYEVOLUTION-Invest.Desenv.,SA	
	ZON OPTIMUS, SGPS, S.A. Zon TV Cabo Açoreana, SA Zon TV Cabo Madeirense, SA Zon TV Cabo SGPS SA Zon TV Cabo, SA Zubiarte Inversiones Inmob,SA









07. Statement of the Board of Directors

Statement under the terms of Article 245

The signatories individually declare that, to their knowledge, the Management Report, the Consolidated and Individual Financial Statements and other accounting documents required by law or regulation were prepared meeting the standards of the applicable International Financial Reporting Standards, giving a truthful (fairly) and appropriate image, in all material respects, of the assets and liabilities, financial position and the consolidated and individual results of the issuer and that the Management Report faithfully describes the business evolution and position of the issuer and of the companies included in the consolidation perimeter and contains a description of the major risks and uncertainties that they face.

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

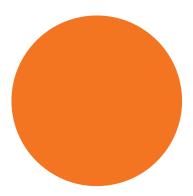
António Sampaio e Mello

Gervais Gilles Pellissier

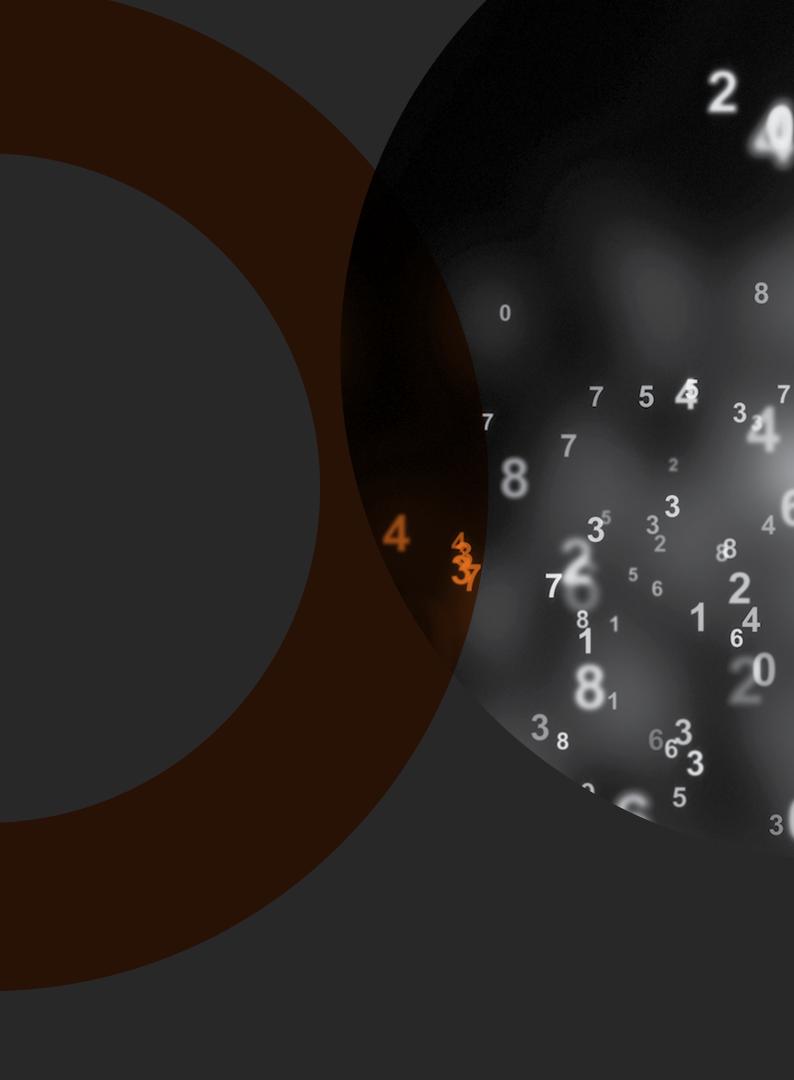
David Charles Denholm Hobley

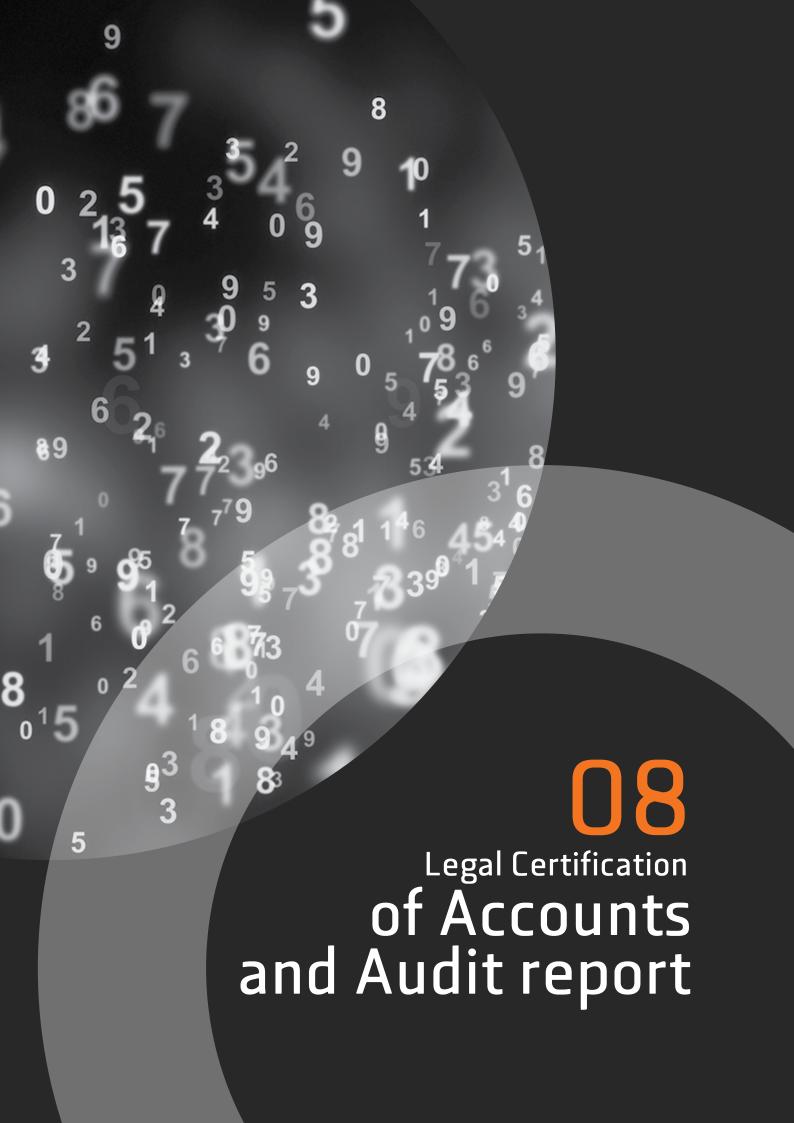
Jean-François René Pontal

Frank Emmanuel Dangeard









STATUTORY AUDIT AND AUDITOR'S REPORT

(This is a translation of a report originally issued in Portuguese in the event of discrepancies, the Portuguese language version prevails)

Introduction

In compliance with the applicable legislation we hereby present our Statutory Audit and Auditor's Report on the consolidated and individual financial information contained in the Board of Directors' Report, and on the accompanying consolidated and individual financial statements of SONAECOM, S.G.P.S., S.A. ("Company") for the year ended 31 December 2013 which comprise the Consolidated and Individual Balance Sheets as of 31 December 2013 (that present a total net assets of 1,227,050,150 Euro and 1,248,681,768 Euro, respectively, and consolidated and individual equity of 1,136,759,532 Euro and 1,195,959,449 Euro, respectively, including a consolidated net profit attributable to the Company's shareholders of 103,838,479 Euro and an individual net loss of 90,569,383 Euro), the Consolidated and Individual Statements of profit and loss, comprehensive income, changes in equity and cash-flows for the year then ended and the corresponding Notes.

Responsibilities

- 2. The Board of Directors is responsible for: (i) the preparation of consolidated and individual financial statements that present a true and fair view of the financial position of the Company and of the group of companies included in the consolidation, the consolidated and individual results of their operations, comprehensive income, changes in equity and their consolidated and individual cash-flows; (ii) the preparation of historical financial information in accordance with the International Financial Reporting Standards as adopted by the European Union and that is complete, true, up-to-date, clear, objective and licit, as required by the Securities Market Code; (iii) the adoption of adequate accounting policies and criteria and the maintenance of an appropriate system of internal control; and (iv) informing on any significant facts that have influenced the operations of the Company and of the group of companies included in the consolidation, their financial position or their results and comprehensive income.
- 3. Our responsibility is to examine the consolidated and individual financial information contained in the documents referred to above, includind verifying that, in all material respects, the information is complete, true, up-to-date, clear, objective and licit, as required by the Securities Market Code, and to issue a professional and independent report based on our examination.

Scope

Our examination was performed in accordance with the Technical/Audit Standards ("Normas Técnicas e as Directrizes de Revisão/Auditoria") issued by the Portuguese Institute of Statutory Auditors ("Ordem dos Revisores Oficiais de Contas"), which require that the examination be planned and performed with the objective of obtaining reasonable assurance about whether the consolidated and individual financial statements are free of material misstatement. Such an examination includes verifying, on a sample basis, evidence supporting the amounts and disclosures in the consolidated and individual financial statements and assessing the estimates, based on judgments and criteria defined by the Board of Directors, used in their preparation. Such an examination also includes verifying the consolidation procedures, the application of the equity method and that the financial statements of the companies included in the consolidation have been appropriately examined, assessing the adequacy of the accounting principles used and their uniform application and disclosure, taking into consideration the circumstances, verifying the applicability of the going concern concept, verifying the adequacy of the overall presentation of the consolidated and individual financial statements and assessing that, in all material respects, the consolidated and individual financial information is complete, true, up-to-date, clear, objective and licit. Our examination also comprises verifying that the financial information contained in the Board of Directors' Report is in accordance with the consolidated and individual financial statements, as well to perform the verifications established in the numbers 4 and 5 of the article 451° of the Portuguese Company Law ("Código das Sociedades Comerciais"). We believe that our examination provides a reasonable basis for expressing our opinion.

Opinion

5. In our opinion, the consolidated and individual financial statements referred to in paragraph 1 above, present fairly in all material respects, the consolidated and individual financial position of SONAECOM, S.G.P.S., S.A. as of 31 December 2013, the consolidated and individual results of their operations, consolidated and individual comprehensive income, changes in consolidated and individual equity and their consolidated and individual cash flows for the year then ended, in accordance with the International Financial Reporting Standards as adopted by the European Union and the information contained therein is, in terms of the definitions included in the technical and audit standards referred to in paragraph 4 above, complete, true, up-to-date, clear, objective and licit.

Emphasis

6. As referred in the Board of Director's Report and in the Note 3.e) to the consolidated financial statements, on 27 August 2013 Optimus, S.G.P.S., S.A. (entity that at that date was wholly owned by SONAECOM, S.G.P.S., S.A.) was merged into Zon Optimus, S.G.P.S., S.A. (former Zon Multimédia – Serviços de Telecomunicações e Multimédia, S.G.P.S., S.A.), which became a subsidiary of the jointly controlled entity ZOPT, S.G.P.S., S.A.. As result of loss of control over Optimus, S.G.P.S., S.A., the telecommunications segment was considered, for the purposes of presentation in the financial statements as a discontinued operation, and the financial investment in ZOPT, S.G.P.S., S.A. is recognized under the equity method.

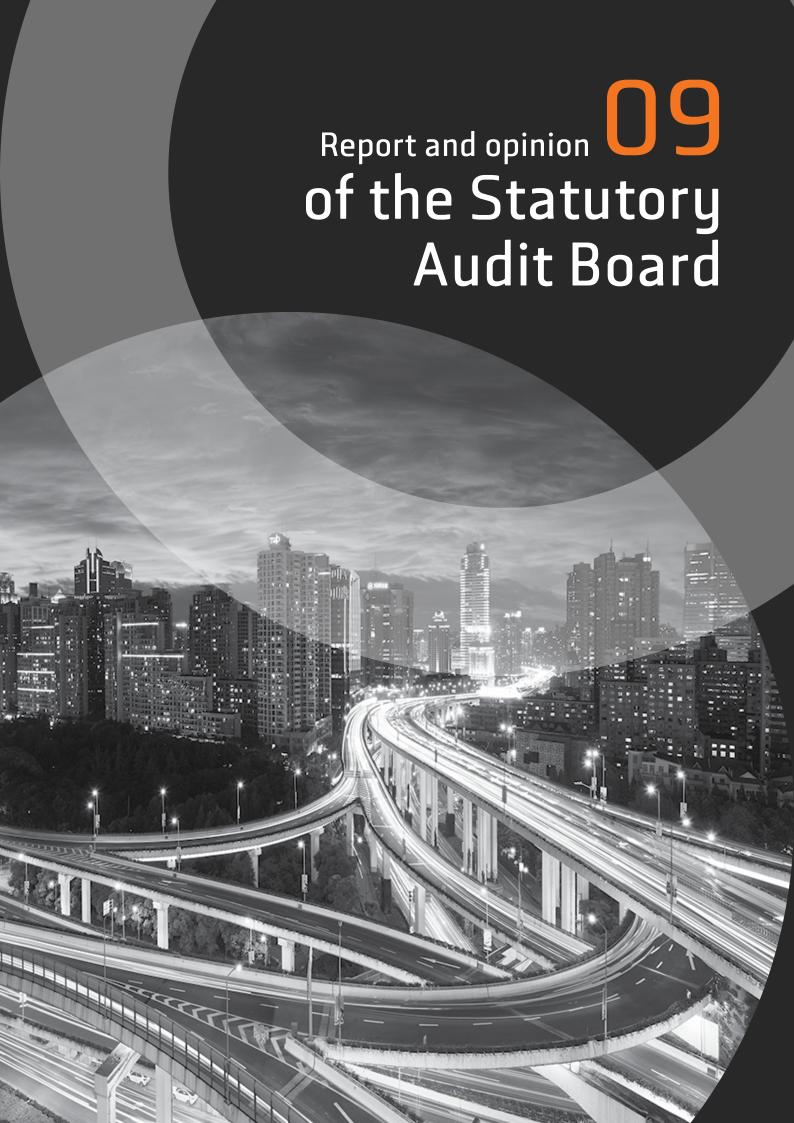
Report on other legal requirements

7. It is also our opinion that the financial information included in the Board of Directors' Report is in accordance with the consolidated and individual financial statements of the year and that the Corporate Governance Report includes the information required to the Company, as established by the article 245°- A of the Securities Market Code.

Porto, 25 March 2014

Deloitte & Associados, SROC S.A. Represented by António Manuel Martins Amaral





(This is a translation of a report originally issued in Portuguese in the event of discrepancies, the Portuguese language version prevails)

Report and opinion of the Statutory Audit Board of Sonaecom, SGPS, S.A.

To the Shareholders of Sonaecom, SGPS, S.A.

1 - Report

1.1 - Introduction

In compliance with the applicable legislation and mandate given to the Statutory Audit Board, we hereby submit our Report and Opinion of the Management Report and other documentation concerning the individual and consolidated accounts of Sonaecom, SGPS, S.A., for the year ended at 31 December 2013, which are of the responsibility of the Company's Board of Directors.

1.2 - Supervisory activities

The Statutory Audit Board, during the year under review, accompanied under its competence, the management of the company and its subsidiaries, examined, to the adequate extension, the evolution of the company, the validity of accounting records, the quality of the preparation and financial information disclosure process, related accounting policies, valuation criteria and the compliance with legal regulations and laws. With this purpose, the Statutory Audit Board held meetings with appropriate frequency, which were attended by the Board of Directors and personnel responsible for financial operations, accounting, internal audit and risk management. Also, meetings were held with the statutory auditor and external auditor in order to obtain all information and clarifications, relatively to the nature and conclusions of the conducted audits. Additionally, the Statutory Audit Board attended the meeting of the Board of Directors in which the management report and accounts for the year was approved.

The Statutory Audit Board oversaw the effectiveness of the risk management and internal control procedures, analyzing the planning and results of the internal and external auditors, having appreciated the additional services rendered by the external auditor other than audit and assurance, and preceded to the control of transactions with related parties, considering the market competition rules.

The Statutory Audit Board reviewed with precise attention the accounting treatment of transactions that materially influenced the development of the activity expressed in the financial statements, and in particular, the closing of the merger between Optimus, S.G.P.S., S.A. and Zon Multimédia – Serviços de Telecomunicações e Multimédia, S.G.P.S., S.A..

Furthermore, the Statutory Audit Board appreciated the Corporate Governance Report which is attached to the company's Management Report regarding the consolidated financial accounts, under the terms and for the purpose of No. 5 of Art. 420 of the Portuguese Commercial Code (Código das Sociedades Comerciais), having concluded that the report includes the elements referred to in Art. 245 – A of the Securities Market Code (Código dos Valores Mobiliários).

As part of its responsibilities, the Statutory Audit Board examined the Management Report and other documentation concerning the individual and consolidated accounts, prepared by the Board of Directors, and considered that the information disclosed satisfies the legal standards and is appropriate for understanding the financial position and results of the company and its consolidation universe, and analyzed the Legal Certification of Accounts and Audit Report, issued by the statutory auditor, to which it has given consent.

2 - Opinion

In the light of the above mentioned, the Statutory Audit Board is of the opinion that there are the conditions for the Shareholders' General Meeting to approve:

- a) The management report, the individual and consolidated balance sheets, the individual and consolidated profit and loss accounts by nature, statements of comprehensive income, and movements in shareholders' funds and cash flow statements for the year ended at 31 December 2013.
- The proposal for the application of results presented by the Board of Directors.

3 - Statement of Responsibility

In accordance with paragraph 1, point a) of Art. 8 of Regulation no 5/2008 of CMVM and point c) of paragraph 1 of Art. 245 of the Portuguese Securities Market Code, we declare that, to the best of our knowledge, the consolidated and individual financial statements were prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of Sonaecom, SGPS, S.A. and the main companies included in the consolidation perimeter, and that the Management Report faithfully describes the business performance and position of the issuer and of the companies included in the consolidation perimeter containing a description of the major risks and uncertainties that they face. Further, we inform that the Corporate Governance report issued complies with the Art. 245-A of the Portuguese Securities Code.

The Statutory Audit Board

Arlindo Dias Duarte Silva

Óscar José Alçada da Quinta

Armando Luís Vieira de Magalhães

Maia, 25 March 2013

SAFE HARBOUR

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

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

Although these statements reflect our current expectations, which we believe are reasonable, investors, analysts and, generally, the recipients of this document are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond our control, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. You are cautioned not to put undue reliance on any forward-looking information or statements. We do not undertake any obligation to update any forward-looking information or statements.

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

Investor Contacts

Carlos Alberto Silva Investor Relations Manager carlos.alberto.silva @sonae.com Tel: 351 93 100 23 49 Sonaecom SGPS, SA Rua Henrique Pousão, 432 – 2nd floor 4460-191 Senhora da Hora Portugal



