



MANAGEMENT REPORT
AND ACCOUNTS
1Q14



The consolidated financial information disclosed in this report is based on unaudited financial statements, prepared in accordance with the International Financial Reporting Standards (IAS/IFRS), issued by the International Accounting Standards Board (IASB), as adopted by the European Union.



1. Sonaecom Consolidated Results

Introductory notes

Until 26 August 2013, Optimus – SGPS, S.A. (Optimus) was fully owned by Sonaecom, SGPS, S.A. (Sonaecom). Following the completion of the merger between Optimus and Zon - Serviços de Telecomunicações e Multimédia, SGPS, S.A. (Zon), Sonaecom has held, since 27 August 2013, a 50% stake in ZOPT, SGPS, S.A., (ZOPT), which in turn holds a 50.01% shareholding in ZON OPTIMUS, SGPS, S.A. (ZON OPTIMUS).

Additionally, Sonaecom also had, until 25 February 2014, a direct holding of 7.28% in the capital of ZON OPTIMUS. Since that date, following the tender offer for the general and voluntary acquisition of treasury shares launched by Sonaecom, the Company's direct participation in ZON OPTIMUS was reduced to 2.14%.

Sonaecom's portfolio also comprises 100% of the Software and Systems Information division (SSI) and Público businesses, which are fully consolidated.

Sonaecom adjusted the 2013 profit and loss statements on a pro forma basis, assuming that the ZON OPTIMUS merger occurred on 1 January 2013, with some consolidation effects in our co-controlled vehicle company. This criterion, besides assuring an easier and fairer comparability between 2013 and 2014 results, is in line with the current pro forma reporting method adopted by ZON OPTIMUS, and market expectations.

Additionally, the direct holding in ZON OPTIMUS is recorded as an 'Investment at fair value through profit or loss'.

Turnover

Consolidated turnover in 1Q14 reached 31.1 million euros, increasing 0.5% when compared to 1Q13. This rise was fuelled by an increase of 22.4% in product sales, which more than offset the decrease of 5.3% in service revenues, to 23.2 million euros.

Operating costs

Operating costs amounted to 29.7 million euros, 1.7% above the same period of 2013. The level of personnel costs remained stable between the two periods. Commercial costs increased 22.0%, to 6.9 million euros, driven by SSI increase in cost of goods sold, aligned with product sales evolution. As for other operating costs, the evolution was also boosted by SSI business, on the back of outsourcing costs' evolution.

EBITDA

Total EBITDA stood at 6.8 million euros, down 26.1% when compared to 1Q13, primarily as a result of equity results line, mostly impacted by ZOPT contribution, which in turn depends on ZON OPTIMUS net income. On what concerns the underlying EBITDA evolution, it stood at 1.7 million euros, impacted primarily by SSI business, despite the global decrease of 18.4% when compared to 1Q13.

The underlying EBITDA margin reached 5.6%, a value that compares with 6.9% in 1Q13.

Net results

Despite the lower level of depreciation and amortization (D&A), Sonaecom's EBIT decreased 24.7% y.o.y. to 5.4 million euros.

Net financial results stood at 2.2 million euros in 1Q14, due to a combination of lower financial income and lower financial expenses. Financial income benefited with the adjustment of ZON OPTIMUS fair value, based on market price. As for financial expenses, the main driver was the lower net debt level.

Sonaecom's earnings before tax (EBT) totalled 7.6 million euros, less 25.1% against 1Q13.

Net results, group share, stood at 7.2 million euros, which compares with 9.3 million euros in 1Q13.

Operating CAPEX

Sonaecom's underlying operating CAPEX increased from 1.1 million euros to 1.6 million euros, reflecting the operating CAPEX trend at Sonaecom's SSI division.

Capital structure

Gross debt totalled 26.7 million euros, versus 364.1 million euros in 1Q13. Net debt reached a very comfortable negative 157.7 million euros – a positive cash position. In 1Q13, net debt totalled 248.1 million euros, a significantly higher level, primarily because it includes Optimus subsidiary.

1.1. ZON OPTIMUS

PAY TV

1.5M subscribers
48% market share

TRIPLE PLAY

800 thousand subscribers
68% penetration

PERSONAL MOBILE

2.6M subscribers
18% market share

Source: ZON OPTIMUS Strategy Day presentation, disclosed on 28 February 2014.

Financial indicators

Million euros					
ZON OPTIMUS PRO-FORMA HIGHLIGHTS	1Q13	1Q14	Δ 14/13	4Q13	q.o.q.
Operating Revenues	351.9	337.3	-4.1%	356.3	-5.3%
EBITDA	138.0	129.9	-5.9%	118.3	9.8%
EBITDA margin (%)	39.2%	38.5%	-0.7pp	33.2%	-7.7pp
Net Income	27.5	25.3	-8.2%	-13.1	-
CAPEX	60.5	56.7	-6.4%	80.7	-29.8%
EBITDA-CAPEX	77.5	73.2	-5.5%	37.6	94.7%
RECURRENT CAPEX	58.6	52.7	-10.0%	77.1	-31.5%
EBITDA-RECURRENT CAPEX	79.4	77.1	-2.9%	41.2	87.2%

ZON OPTIMUS operating revenues stood at 337.3 million euros in 1Q14, decreasing 4.1% y.o.y..

EBITDA reached 129.9 million euros, decreasing 5.9% when compared to 1Q13.

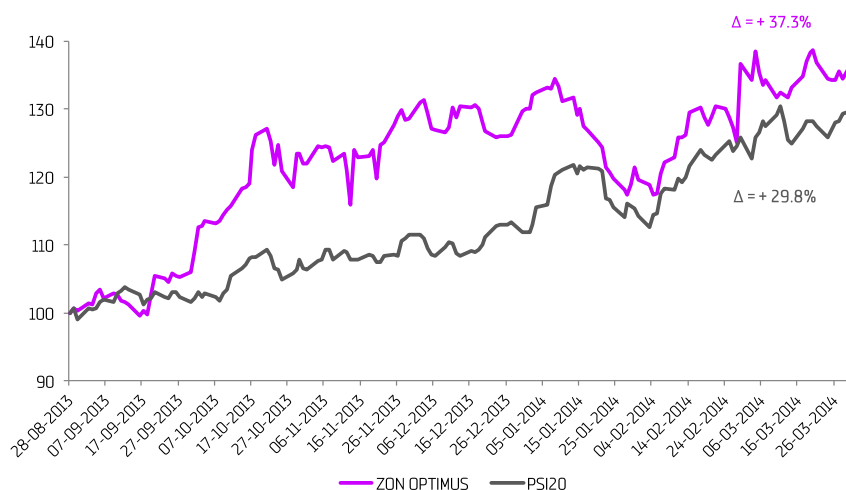
Recurrent CAPEX decreased approximately 6 million euros y.o.y., reaching 52.7 million euros in 1Q14. As a consequence of EBITDA and Recurrent CAPEX evolution, EBITDA-Recurrent CAPEX decreased 2.9%.

Net Financial Debt to EBITDA stood at 1.7x at the end of 1Q14.

ZON OPTIMUS is financed until 1Q15 and the average maturity of its Net Financial Debt is now 1.8 years.

ZON OPTIMUS published its 1Q14 results on 7th May, 2014, which are available at www.zonoptimus.pt.

Market performance



Since the first day following the closing of the merger between Optimus and Zon, on 28 August 2013, and until 31 March 2014, the company's market capitalisation grew 37.3%, corresponding to a share price increase from €4.15 to €5.70. The PSI20, the main Portuguese index, grew its market capitalisation 29.8% in the same period.



1.2. Software and Systems Information (SSI)

Having achieved consistent growth since its launch at the end of 2002 by following a dynamic approach to portfolio management, Sonaecom's SSI division currently comprises four companies in the IT/IS sector focused on international expansion.

WeDo Technologies, a worldwide market leader in enterprise business assurance market, continued to expand its international footprint. The Company, which works with some of the world's leading blue chip companies from the retail, energy and finance industries, as well as more than 180 telecommunications operators from more than 90 countries, ended the 1Q14 with international revenues representing 76.2% of its turnover, growing more than 15% when compared to 4Q13.

Continuously focused in the improvement of its services and software products, WeDo Technologies announced in February 2014 the successful release of the fraud management software suite, RAID:FMS 7, a new release that enables service providers to handle risk threats associated with new products and services in a single platform.

Also, it should be highlighted that in March 2014, a major Mexican retailer and a Portuguese energy company have chosen WeDo Technologies to implement its business assurance software, two achievements that clearly reflect the company's growth in enterprise business assurance market, both in Portugal and abroad.

Saphety continues to strengthen its position in purchase-to-pay solutions, optimisation of business processes and data synchronization information and multimedia for GSI worldwide organisations. Saphety's customer base has now over 8,100 customers and 100,000 users in about 20 countries worldwide. During the 1Q14, Saphety has won 3 new contracts including Wal-Mart in México, the largest retailer and public corporation in the world, GSI Greece, an important player for our synchronization solutions, and Yazaki in Brazil, with the SaphetyDoc implementation in more than 76 suppliers in the automotive sector. Also, it's important to note that external markets represented in 1Q14 38% of total orders.

Mainroad has an extensive offer portfolio, which includes IT Outsourcing, Information Security Solutions, Data Center Services, Cloud Computing Solutions, IT Service Management Solutions and SAP & Database Management. In 1Q14, Mainroad focused on its Information Security Solutions offer, creating a new Security Services Business Unit integrating existing offer and Praesidium's Network Security Division. Praesidium, with more than 130 customers in 85 countries, has already contributed to boost Mainroad's international dimension and orders, which improved circa 33% y.o.y.. On what regards Mainroad' infrastructure, with Data Centers in Lisbon and Oporto, there was a continuous technological investment to implement better energy efficient solutions and expand the Infrastructure as a Service platform that supports the organization's Cloud solutions.

In 1Q14, Bizdirect launched a Competence Center in Viseu to respond to the growing demand for projects in the areas of CRM (Customer Relationship Management) and ECM (Enterprise Content Management), investing in the training of professionals and focusing in the international market. The investment in IT hardware and software has been registering some improvements, which enabled Bizdirect to increase its turnover by 26% in 1Q14 when compared to same period of 2013.

Operating indicators

MAIN OPERATING KPI's	1Q13	1Q14	Δ 14/13	4Q13	q.o.q.
IT Service Revenues/Employee ⁽¹⁾ ('000 euros)	35.9	33.5	-6.8%	31.4	6.7%
Equipment Sales as % Turnover	16.3%	20.0%	3.7pp	21.6%	-1.5pp
Equipment Sales/Employee ⁽²⁾ ('000 euros)	139.3	151.7	8.9%	179.3	-15.4%
EBITDA/Employee ('000 euros)	5.3	4.5	-14.7%	5.9	-22.7%
Employees	649	687	5.9%	675	1.8%

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

IT service revenues per employee reached 33.5 thousand euros in 1Q14, 6.8% below 1Q13, driven by a 1.8% decrease of service revenues, but mostly by the 5.9% headcount increase effect. The EBITDA per employee reached 4.5 thousand euros, less 14.7% y.o.y, driven by the EBITDA evolution, coupled with the higher headcount level.

Equipment sales as percentage of turnover increased y.o.y. from 16.3% to 20.0%, driven by Bizdirect's equipment sales.

Financial indicators

Million euros					
SSI CONSOLIDATED INCOME STATEMENT	1Q13	1Q14	Δ 14/13	4Q13	q.o.q.
Turnover	26.5	27.3	2.8%	25.8	5.8%
Service Revenues	22.2	21.8	-1.8%	20.2	7.9%
Equipment Sales	4.3	5.5	26.4%	5.6	-1.7%
Other Revenues	0.3	0.2	-17.4%	0.8	-74.4%
Operating Costs	23.3	24.3	4.4%	22.6	7.7%
Personnel Costs	8.9	8.8	-1.9%	8.1	8.8%
Commercial Costs ⁽¹⁾	4.5	5.6	24.2%	5.3	7.3%
Other Operating Costs ⁽²⁾	9.8	9.9	1.0%	9.3	7.0%
EBITDA	3.5	3.1	-9.7%	3.3	-4.6%
EBITDA Margin (%)	13.0%	11.4%	-1.6pp	12.7%	-1.3pp
Operating CAPEX ⁽³⁾	1.0	1.5	44.9%	2.8	-48.2%
Operating CAPEX as % of Turnover	3.8%	5.3%	1.5pp	10.9%	-5.5pp
EBITDA - Operating CAPEX	2.4	1.7	-32.0%	0.5	-
Total CAPEX	1.4	1.5	2.5%	2.8	-48.1%

(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 2.8% y.o.y., to 27.3 million euros, notwithstanding the virtual decrease of service revenues, from 22.2 million euros to 21.8 million euros. However, it should be noted that Service Revenues grew from 20.2 million euros, in 4T13, to 21.8 million euros, an increase of 7.9%. Equipment sales increased 26.4% between 1Q13 and 1Q14, to 5.5 million euros, a stable level when compared to 4Q13, driven by Bizdirect equipment sales.

Operating costs

Operating costs increased 4.4% between 1Q13 and 1Q14, reaching 24.3 million euros, impacted mostly by higher commercial costs. Commercial costs increased 24.2% when compared to 1Q13, to 5.6 million euros, driven by higher a cost of goods sold, aligned with the higher level of equipment sales. Other operating costs increased 1.0% in 1Q14, to 9.9 million euros, due to a higher level of outsourcing costs, aimed at supporting higher levels of international activity across SSI subsidiaries.

EBITDA

When it comes to operating profitability, the higher turnover level was not sufficient to offset the increase in operating costs, decreasing the EBITDA 9.7%, to 3.1 million euros. However, it should be noted that EBITDA margin stood at 11.4% in 1Q14, a double-digit benchmark, despite the higher weight of product sales in total turnover.

EBITDA-operating CAPEX

As a result of EBITDA and operating CAPEX performances, EBITDA-operating CAPEX stood at 1.7 million euros, decreasing 32.0% when compared to 1Q13.



2. Main Corporate Developments in 1Q14

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.

Sonaecom's capital reduction

On 12 March 2014, following a resolution taken at Shareholders' Extraordinary General Meeting held on 18 November 2013, Sonaecom reduced the share capital by the cancelation of own shares acquired within the tender offer. Accordingly, 54,906,831 shares were cancelled and the nominal value of the remaining shares was reduced to 0.74 euros. Sonaecom's share capital is now divided in 311,340,037 ordinary, book-entry and registered shares, totalling 230,391,627.38 euros.



3. Subsequent events

Shareholders' Annual General Meeting

On 24 April 2014, Sonaecom's shareholders decided, at the company's Annual General Meeting, to approve all the proposals of the agenda, namely:

1. To decide on the appointment of members to fulfil the vacant seats that may exist in the corporate bodies on the date of the General Meeting;
2. Discuss and approve the Company's Annual Report, and the Individual and Consolidated Accounts for the year ended 31 December 2013;
3. Decide on the proposed appropriation of the Net Results for year ended 31 December 2013;
4. Assess the management and audit of the Company;
5. Discuss and approve the document setting out the proposed remuneration policy to be applied to the Company's management and auditing bodies and to persons discharging managerial responsibilities, as well as on the plan to grant shares and its respective regulation (the "Medium Term Incentive Plan" or "MTIP") to be applied by the Shareholders' Remuneration Committee;
6. Authorise the purchase and sale of own shares up to the limit of 10%, as permitted by Portuguese Company Law;
7. Authorise both purchasing or holding of shares of the Company by affiliated companies, under the terms of Article 325-B of Portuguese Company Law.

Composition of Sonaecom's Board of Directors

Following a resolution taken at the Shareholders' Annual General Meeting, on 24 April 2014, the composition of Sonaecom's Board of Directors was reduced from 11 to 3 members, remaining in office Ângelo Gabriel Ribeirinho dos Santos Paupério (Sonaecom's Chairman and CEO), Maria Cláudia Teixeira de Azevedo and António Bernardo Aranha da Gama Lobo Xavier.

Director's Transactions

Sonae-SGPS, S.A. informed Sonaecom on several acquisitions, from 24 February to 5 May 2014, of shares representing the share capital and voting rights of Sonaecom. After the completion of these transactions, Sonae is the direct holder of 80,822,964 shares of Sonaecom, being the 194.063.119 voting rights corresponding to the shares held by its subsidiary Sonae Investments, B.V. also attributable to it.

4. Appendix

4.1. Consolidated income statement

Million euros

CONSOLIDATED INCOME STATEMENT	1Q13 ^(R)	1Q14	Δ 14/13	4Q13	q.o.q.
Turnover	31.0	31.1	0.5%	30.2	3.0%
Service Revenues	24.5	23.2	-5.3%	22.1	4.8%
Product Sales	6.5	7.9	22.4%	8.1	-1.8%
Other Revenues	0.4	0.3	-12.1%	1.0	-64.5%
Operating Costs	29.2	29.7	1.7%	27.8	6.8%
Personnel Costs	11.3	11.6	2.5%	10.8	7.1%
Commercial Costs ⁽¹⁾	5.7	6.9	22.0%	6.3	10.2%
Other Operating Costs ⁽²⁾	12.2	11.2	-8.4%	10.7	4.4%
EBITDA	9.2	6.8	-26.1%	0.0	-
Underlying EBITDA ⁽³⁾	2.1	1.7	-18.4%	2.6	-33.1%
Equity method ⁽⁴⁾	7.1	5.0	-28.5%	-2.7	-
Underlying EBITDA Margin (%)	6.9%	5.6%	-1.3pp	8.7%	-3.0pp
Depreciation & Amortization	2.1	1.4	-31.2%	1.4	1.6%
EBIT	7.1	5.4	-24.7%	-1.4	-
Net Financial Results	3.0	2.2	-26.1%	37.6	-94.1%
Financial Income	6.6	2.9	-55.6%	38.5	-92.4%
Financial Expenses	3.6	0.7	-80.3%	1.0	-25.4%
EBT	10.1	7.6	-25.1%	36.1	-79.0%
Tax results	-0.8	-0.4	47.1%	-1.1	62.3%
Net Results	9.3	7.2	-23.2%	35.0	-79.5%
Group Share	9.3	7.2	-22.9%	35.1	-79.5%
Attributable to Non-Controlling Interests	0.0	0.0	-	-0.1	67.3%

(1) Commercial Costs = COGS + Mktg & Sales Costs; (2) Other Operating Costs = Outsourcing Services + G&A + Provisions + others; (3) Includes the businesses fully consolidated by Sonae.com; (4) Includes the 50% holding in Unipress, the 50% holding in Infosystems, the 45% holding in SIRS and the 50% holding in ZOPI; (R) The values were adjusted in order to reflect, from 1 January 2013, Sonae.com structure following the merger between Optimus and Zon.

4.2. Consolidated balance sheet

Million euros

CONSOLIDATED BALANCE SHEET	1Q13	1Q14	Δ 14/13	4Q13	q.o.q.
Total Net Assets	1,859.9	1,077.8	-42.0%	1,227.1	-12.2%
Non Current Assets	1,568.3	768.9	-51.0%	767.3	0.2%
Tangible and Intangible Assets	948.3	22.4	-97.6%	22.2	0.9%
Goodwill	518.6	28.4	-94.5%	28.4	0.0%
Investments	1.4	713.0	-	711.4	0.2%
Deferred Tax Assets	98.1	5.0	-94.9%	5.2	-3.2%
Others	2.0	0.0	-97.8%	0.0	3.9%
Current Assets	291.6	308.9	5.9%	459.8	-32.8%
Trade Debtors	139.0	35.9	-74.2%	36.4	-1.5%
Liquidity	31.8	184.5	-	188.0	-1.9%
Others	120.8	88.6	-26.7%	235.3	-62.4%
Shareholders' Funds	1,101.2	997.5	-9.4%	1,136.8	-12.3%
Group Share	1,100.8	997.3	-9.4%	1,136.5	-12.2%
Non-Controlling Interests	0.4	0.2	-44.2%	0.3	-23.8%
Total Liabilities	758.7	80.3	-89.4%	90.3	-11.0%
Non Current Liabilities	290.5	8.9	-96.9%	29.3	-69.6%
Bank Loans	195.2	4.9	-97.5%	24.8	-80.4%
Provisions for Other Liabilities and Charges	43.5	2.9	-93.3%	3.1	-4.7%
Others	51.7	1.1	-97.8%	1.4	-21.9%
Current Liabilities	468.2	71.4	-84.7%	61.0	17.1%
Bank Loans	171.1	21.3	-87.6%	1.0	-
Trade Creditors	140.5	19.2	-86.4%	21.8	-11.9%
Others	156.6	31.0	-80.2%	38.2	-18.9%
Operating CAPEX ⁽¹⁾	1.1	1.6	47.4%	3.4	-54.0%
Operating CAPEX as % of Turnover	3.5%	5.1%	1.6pp	11.4%	-6.3pp
Total CAPEX	1.5	4.2	176.9%	3.4	20.9%
EBITDA - Operating CAPEX	1.1	0.2	-84.9%	-0.1	-
Gross Debt	364.1	26.7	-92.7%	25.9	2.9%
Net Debt	248.1	-157.7	-	-162.1	2.7%

(1) Operating CAPEX excludes Financial Investments.

4.3. Consolidated levered FCF

Million euros

LEVERED FREE CASH FLOW	1Q13 ^(R)	1Q14	Δ 14/13	4Q13	q.o.q.
Underlying EBITDA-Operating CAPEX	1.1	0.2	-84.9%	-0.8	-
Change in WC	2.2	0.3	-88.4%	-8.5	-
Non Cash Items & Other	-0.2	0.4	-	-0.1	-
Operating Cash Flow	3.1	0.8	-73.9%	-9.5	-
Investments	-1.0	-2.6	-152.2%	0.0	-
Own shares	-1.3	0.0	100.0%	0.0	-
Financial results	1.8	-1.5	-	1.0	-
Income taxes	-0.5	-0.3	37.7%	-0.8	64.0%
FCF ⁽¹⁾	2.1	-3.5	-	-9.2	61.8%

(1) FCF Levered after Financial Expenses but before Capital Flows and Financing related up-front Costs. (R) The values were adjusted in order to reflect, from 1 January 2013, Sonaecom structure following the merger between Optimus and Zon.

5. Financial Information

5.1. Sonaecom consolidated financial statements

Consolidated balance sheets

For the periods ended at 31 March 2014 and 2013 (restated – note 1) and for the year ended at 31 December 2013

(Amounts expressed in Euro)	Notes	March 2014	March 2013 (restated)	December 2013
Assets				
Non-current assets				
Tangible assets	1c, 1h and 5	5,462,432	5,744,308	5,530,098
Intangible assets	1d, 1e and 6	16,906,632	373,884,330	16,647,260
Goodwill	1f, 1w and 7	28,444,534	518,556,876	28,434,416
Investments in associated companies and companies jointly controlled	1b and 8	712,918,203	1,148,164	710,434,285
Investments available for sale	1g, 4 and 10	115,448	215,448	115,448
Other non-current assets	1g, 1r, 1x, 4 and 22	47,595	1,991,761	922,434
Deferred tax assets	1p, 1s and 11	5,033,127	98,064,904	5,199,886
Total non-current assets		768,927,971	1,568,292,320	767,283,827
Current assets				
Financial assets at fair value through profit or loss	1g, 4 and 9	64,549,251	-	202,442,350
Inventories	1i	381,316	15,395,199	553,525
Trade debtors	1g, 1j, 4 and 22	35,874,242	138,988,103	36,416,353
Other current debtors	1g, 1j, 4 and 22	13,369,399	25,308,423	23,040,766
Other current assets	1r, 1x, 4 and 22	10,281,405	80,076,420	9,298,406
Cash and cash equivalents	1k, 4, 12 and 22	184,454,049	31,804,815	188,014,923
Total current assets		308,909,662	291,572,960	459,766,323
Total assets		1,077,837,633	1,859,865,280	1,227,050,150
Shareholders' funds and liabilities				
Shareholders' funds				
Share capital	13	230,391,627	366,246,868	366,246,868
Own shares	1u and 14	(7,686,952)	(6,531,829)	(7,686,952)
Reserves	1t	767,409,665	722,675,428	674,091,313
Consolidated net income/(loss) for the period		7,183,852	18,426,869	103,838,479
		997,298,192	1,100,817,336	1,136,489,708
Non-controlling interests		205,482	368,183	269,824
Total Shareholders' funds		997,503,674	1,101,185,519	1,136,759,532
Liabilities				
Non-current liabilities				
Medium and long-term loans – net of short-term portion	1l, 1m, 4 and 15a	4,865,646	195,217,440	24,810,079
Other non-current financial liabilities	1h, 4 and 16	387,176	16,670,660	67,937
Provisions for other liabilities and charges	1o, 1s and 17	2,916,065	43,514,146	3,060,986
Deferred tax liabilities	1p, 1s and 11	47,736	1,157,270	89,522
Other non-current liabilities	1r, 1x, 4 and 22	685,509	33,899,921	1,277,304
Total non-current liabilities		8,902,132	290,459,437	29,305,828
Current liabilities				
Short-term loans and other loans	1l, 1m, 4 and 15b	21,276,826	171,132,405	998,996
Trade creditors	4 and 22	19,173,420	140,467,865	21,768,279
Other current financial liabilities	1h, 4 and 18	174,861	2,736,187	70,728
Other creditors	4 and 22	4,579,016	32,246,750	10,439,327
Other current liabilities	1r, 1x, 4 and 22	26,227,704	121,637,117	27,707,460
Total current liabilities		71,431,827	468,220,324	60,984,790
Total Shareholders' funds and liabilities		1,077,837,633	1,859,865,280	1,227,050,150

The notes are an integral part of the consolidated financial statements at 31 March 2014 and 2013 (restated – note 1).

The Chief Accountant

Ricardo André Fraga Costa

The Board of Directors

Ângelo Gabriel Ribeirinho Paupério

Maria Cláudia Teixeira de Azevedo

António Bernardo Aranha da Gama Lobo Xavier



Consolidated profit and loss account by nature

For the periods ended at 31 March 2014 and 2013 (restated – note 1), and for the year ended at 31 December 2013

(Amounts expressed in Euro)	Notes	March 2014	March 2013 (restated)	December 2013
Sales	1r and 22	7,915,037	7,819,184	33,057,911
Services rendered	1r and 22	23,208,371	20,085,188	83,916,841
Other operating revenues	1q and 22	337,282	338,295	3,475,123
		31,460,690	28,242,667	120,449,875
Cost of sales	1i and 17	(6,251,030)	(5,727,760)	(24,753,054)
External supplies and services	1h, 19 and 22	(11,796,160)	(10,903,624)	(44,474,432)
Staff expenses	1x and 27	(11,609,890)	(10,973,406)	(43,318,213)
Depreciation and amortisation	1c, 1d, 1f, 5, 6 and 7	(1,421,650)	(2,067,167)	(6,641,792)
Provisions and impairment losses	1j, 1o, 1w and 17	-	(281,075)	(1,708,710)
Other operating costs		(54,119)	(67,523)	(283,057)
		(31,132,849)	(30,020,555)	(121,179,258)
Gains and losses in associated companies and companies jointly controlled	1b, 8 and 20	5,044,290	175,247	(490,365)
Gains and losses on financial assets at fair value through profit or loss	1g, 9 and 20	2,031,262	-	46,636,719
Other financial expenses	1h, 1m, 1v, 1w, 20 and 22	(709,150)	(3,594,651)	(11,998,760)
Other financial income	1v, 20 and 22	892,842	642,618	7,977,160
Current income / (loss)		7,587,085	(4,554,674)	41,395,371
Income taxation	1p, 1l and 21	(422,475)	(799,018)	(3,873,144)
Consolidated net income/(loss) for the period of continued operations		7,164,610	(5,353,692)	37,522,227
Consolidated net income/(loss) for the period of discontinued operations	25	-	23,788,151	66,244,220
Consolidated net income/(loss) for the period		7,164,610	18,434,459	103,766,447
Attributed to:				
Shareholders of parent company	26	7,183,852	18,426,869	103,838,479
Non-controlling interests		(19,242)	7,590	(72,032)
Earnings per share	26			
Including discontinued operations:				
Basic		0.02	0.05	0.29
Diluted		0.02	0.05	0.29
Excluding discontinued operations:				
Basic		0.02	(0.01)	0.10
Diluted		0.02	(0.01)	0.10

The notes are an integral part of the consolidated financial statements at 31 March 2014 and 2013 (restated – note 1).

The Chief Accountant

Ricardo André Fraga Costa

The Board of Director

Ângelo Gabriel Ribeirinho Paupério

Maria Cláudia Teixeira de Azevedo

António Bernardo Aranha da Gama Lobo Xavier



Consolidated statement of profit or loss and other comprehensive income

For the periods ended at 31 March 2014 and 2013 (restated – note 1), and for the year ended at 31 December 2013.

(Amount expressed in Euro)	Notes	March 2014	March 2013 (restated)	December 2013
Consolidated net income / (loss) for the period		7,164,610	18,434,459	103,766,447
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	(2,580,773)	4,073	(2,536,500)
Changes in currency translation reserve and other	1v	119,102	17,220	(1,155,064)
Consolidated comprehensive income for the period		4,702,939	18,455,752	100,074,883
Attributed to:				
Shareholders of parent company		4,722,181	18,448,162	100,146,915
Non-controlling interests		(19,242)	7,590	(72,032)

The notes are an integral part of the consolidated financial statements at 31 March 2014 and 2013 (restated – note 1).

The Chief Accountant

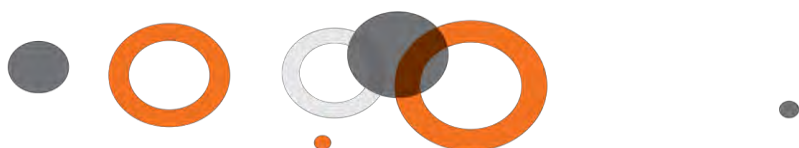
Ricardo André Fraga Costa

The Board of Directors

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António Bernardo Aranha da Gama Lobo Xavier



Consolidated movements in shareholders' funds

For the periods ended at 31 March 2014 and 2013 (restated – note 1)

			Reserves								
			Reserves for Medium						Non-	Net income /	
(Amounts expressed in Euro)	Share capital	Own shares (note 14)	Share premium	Legal reserves	Term Incentive Plans (note 27)	Reserves of own shares	Other reserves	Total reserves	-controlling interests	(loss)	Total
2014											
Balance at 31 December 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	-	103,838,479	1,136,489,708
Appropriation of the consolidated net result of 2013											
Transfers to other reserves	-	-	-	-	-	-	103,838,479	103,838,479	-	(103,838,479)	-
Consolidated comprehensive income for the year ended at 31 March 2014	-	-	-	-	-	-	(2,461,671)	(2,461,671)	-	7,183,852	4,722,181
Reduction of the share capital following the result of the general and voluntary acquisition of own shares (note 13)	(135,855,241)	-	-	-	-	-	(5,815,229)	(5,815,229)	-	-	(141,670,470)
Effect of the recognition of the Medium Term Incentive Plans (notes 1x and 27)	-	-	-	-	105,935	-	-	105,935	-	-	105,935
Effect of the conversion of the Medium Term Incentive Plans (notes 1x and 27)	-	-	-	-	(1,183,193)	-	(1,165,969)	(2,349,162)	-	-	(2,349,162)
Balance at 31 March 2014	230,391,627	(7,686,952)	775,290,377	13,152,684	-	7,686,952	(28,720,348)	767,409,665	-	7,183,852	997,298,192
Non-controlling interests											
Balance at 31 December 2013	-	-	-	-	-	-	-	-	269,824	-	269,824
Non-controlling interests in comprehensive income	-	-	-	-	-	-	-	-	(19,242)	-	(19,242)
Dividend distribution	-	-	-	-	-	-	-	-	(19,920)	-	(19,920)
Other changes	-	-	-	-	-	-	-	-	(25,180)	-	(25,180)
Balance at 31 March 2014	-	-	-	-	-	-	-	-	205,482	-	205,482
Total	230,391,627	(7,686,952)	775,290,377	13,152,684	-	7,686,952	(28,720,348)	767,409,665	205,482	7,183,852	997,503,674

The notes are an integral part of the consolidated financial statements at 31 March 2014 and 2013 (restated – note 1).

The Chief Accountant

Ricardo André Fraga Costa

The Board of Directors

Ângelo Gabriel Ribeirinho Paupério

Maria Cláudia Teixeira de Azevedo

António Bernardo Aranha da Gama Lobo Xavier



Consolidated movements in shareholders' funds (continued)

For the periods ended at 31 March 2014 and 2013 (restated – note 1)

			Reserves								
(Amounts expressed in Euro)	Share capital	Own shares (note 14)	Share premium	Legal reserves	Reserves for Medium Term Incentive Plans (note 27)	Reserves of own shares	Other reserves	Total reserves	Non- controlling interests	Net income / (loss)	Total
2013											
Balance at 31 December 2012	366,246,868	(5,544,847)	775,290,377	7,991,192	3,650,779	5,544,847	(145,743,071)	646,734,124	-	75,419,377	1,082,855,522
Appropriation of the consolidated net result of 2012											
Transfers to other reserves	-	-	-	5,161,492	-	-	70,257,885	75,419,377	-	(75,419,377)	-
Consolidated comprehensive income for the period ended at 31 March 2013	-	-	-	-	-	-	21,293	21,293	-	18,426,869	18,448,162
Acquisition of own shares	-	(1,341,195)	-	-	-	1,341,195	(1,341,195)	-	-	-	(1,341,195)
Delivery of own shares under the Medium Term Incentive Plans (notes 1x and 27)	-	354,213	-	-	(406,267)	(354,213)	425,568	(334,912)	-	-	19,301
Effect of the recognition of the Medium Term Incentive Plans (notes 1x and 27)	-	-	-	-	835,546	-	-	835,546	-	-	835,546
Balance at 31 March 2013	366,246,868	(6,531,829)	775,290,377	13,152,684	4,080,058	6,531,829	(76,379,520)	722,675,428	-	18,426,869	1,100,817,336
Non-controlling interests											
Balance at 31 December 2012	-	-	-	-	-	-	-	-	387,479	-	387,479
Non-controlling interests in comprehensive income	-	-	-	-	-	-	-	-	7,590	-	7,590
Dividend distribution	-	-	-	-	-	-	-	-	(29,880)	-	(29,880)
Other changes	-	-	-	-	-	-	-	-	2,994	-	2,994
Balance at 31 March 2013	-	-	-	-	-	-	-	-	368,183	-	368,183
Total	366,246,868	(6,531,829)	775,290,377	13,152,684	4,080,058	6,531,829	(76,379,520)	722,675,428	368,183	18,426,869	1,101,185,519

The notes are an integral part of the consolidated financial statements at 31 March 2014 and 2013 (restated – note 1).

The Chief Accountant

Ricardo André Fraga Costa

The Board of Directors

Angelo Gabriel Ribeirinho Paupério

Maria Cláudia Teixeira de Azevedo

António Bernardo Aranha da Gama Lobo Xavier

Consolidated cash flow statements

For the periods ended at 31 March 2014 and 2013 (restated – note 1)

(Amounts expressed in Euro)	March 2014	March 2013 (restated)
Operating activities		
Receipts from trade debtors	28,747,694	181,785,568
Payments to trade creditors	(19,327,854)	(127,445,114)
Payments to employees	(15,782,635)	(31,485,601)
Cash flows from operating activities	(6,362,795)	22,854,853
Payments / receipts relating to income taxes, net	(277,629)	(622,004)
Other payments / receipts relating to operating activities, net	4,513,729	4,565,419
Cash flows from operating activities (1)	(2,126,695)	26,798,268
Investing activities		
Receipts from:		
Financial investments	-	9,375
Tangible assets	348	997,464
Intangible assets	-	746
Interest and similar income	5,102,873	858,540
Payments for:		
Financial investments	(2,578,234)	(1,022,948)
Tangible assets	(731,909)	(22,842,525)
Intangible assets	(988,469)	(13,339,384)
Cash flows from investing activities (2)	804,609	(35,338,732)
Financing activities		
Receipts from:		
Loans obtained	-	15,575,000
Payments for:		
Leasing	(7,132)	(1,443,884)
Interest and similar expenses	(2,364,088)	(4,790,932)
Dividends	-	(29,880)
Acquisition of own shares	-	(1,039,021)
Loans obtained	-	(35,000,000)
Cash flows from financing activities (3)	(2,371,220)	(26,728,717)
Net cash flows (4)=(1)+(2)+(3)	(3,693,306)	(35,269,181)
Effect of the foreign exchanges	69,352	206,931
Cash and cash equivalents at the beginning of the period	188,004,715	61,685,720
Cash and cash equivalents at the end of the period	184,380,761	26,623,470

The notes are an integral part of the consolidated financial statements at 31 March 2014 and 2013 (restated – note 1)

Chief Accountant

Ricardo André Fraga Costa

The Board of Directors

Ângelo Gabriel Ribeirinho Paupério

Maria Cláudia Teixeira de Azevedo

António Bernardo Aranha da Gama Lobo Xavier

Notes to the consolidated cash flow statements

For the periods ended at 31 March 2014 and 2013 (restated – note 1)

1. Acquisition or sale of subsidiaries or other businesses

	March 2014	March 2013 (restated)
a) Amounts received of sales		
Distrinews, S.A.	-	9,375
	-	9,375
b) Amounts paid of acquisitions		
Compra de ações Sonae SGPS	2,578,234	-
Connectiv Solutions, Inc	-	1,010,448
Distrinews, S.A.	-	12,500
	2,578,234	1,022,948

2. Details of cash and cash equivalents

	Notes	March 2014	March 2013 (restated)
Cash in hand	12	25,802	262,733
Cash at bank	12	9,869,025	5,072,091
Treasury applications	12	174,559,222	26,469,991
Overdrafts	12 and 15	(73,288)	(5,181,345)
Cash and cash equivalents		184,380,761	26,623,470
Overdrafts		73,288	5,181,345
Cash assets		184,454,049	31,804,815

3. Description of non-monetary financing activities

	Notes	March 2014	March 2013 (restated)
a) Bank credit obtained and not used	15	1,000,000	50,940,000
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
2014				
Multimedia	(1,539,195)	(179,484)	(9,688)	(1,728,367)
Information Systems	(1,792,586)	(1,415,733)	(117,574)	(3,325,893)
Holding	1,205,086	2,399,826	(2,243,958)	1,360,954
	(2,126,695)	804,609	(2,371,220)	(3,693,306)

Activity	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Net cash flows
2013 (restated)				
Telecommunication	27,312,960	(33,518,101)	(7,042,086)	(13,247,227)
Multimedia	(810,587)	(210,658)	(37,952)	(1,059,197)
Information Systems	856,613	(1,632,590)	(74,620)	(850,597)
Holding	(560,718)	22,617	(19,574,059)	(20,112,160)
	26,798,268	(35,338,732)	(26,728,717)	(35,269,181)

The notes are an integral part of the consolidated financial statements at 31 March 2014 and 2013 (restated – note 1).

Chief Accountant

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The Board of Directors

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5.2. Notes to the consolidated financial statements

SONAE.COM, 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 SONAE.COM, SGPS, S.A..

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

By decision of the Shareholders General Meeting held on 18 September 2006, Sonaecom's share capital was increased by Euro 69,720,000, from Euro 296,526,868 to Euro 366,246,868, by the issuance of 69,720,000 new shares of 1 euro each and with a share premium of Euro 275,657,217, subscribed by O93X – Telecomunicações Celulares, S.A. ('EDP') and Parpública – Participações Públicas, SGPS, S.A. ('Parpública'). The corresponding public deed was executed on 18 October 2006.

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

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.c) 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).

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 (Note 9 and 13).

In 2014 Sonaecom reduced its share capital to 230,391,627 euros

Euronext announced Sonaecom exclusion from the PSI-20 from 24 February 2014.

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) and taking into account the IAS 34 - 'Interim Financial Reporting'. These financial statements were prepared based on the acquisition cost, except for the revaluation of some financial instruments.

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

Sonaecom adopted 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 2014 and were first adopted in the period ended at 31 March 2014:

Standard / Interpretation	Effective date (annual periods beginning on or after)
IFRS 10 (Consolidated Financial Statements)	1-Jan-13(**)
Builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.	
IFRS 11 (Companies jointly controlled)	1-Jan-13(**)
Provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case). The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities.	
IFRS 12 (Disclosures of Interests in Other Entities)	1-Jan-13(**)
New and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.	
IAS 27 (Separate Financial Statements)	1-Jan-13(**)
Consolidation requirements previously forming part of IAS 27 have been revised and are now contained in IFRS 10 Consolidated Financial Statements.	
IAS 28 (Investments in Associates and Joint Ventures)	1-Jan-13(**)
The objective of IAS 28 (as amended in 2011) is to prescribe the accounting for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.	
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 amendments provide an exception to the consolidation requirements in IFRS 10.	
IAS 32- Admendments (Offsetting Financial Assets and Financial Liabilities)	1-Jan-14
IAS 32 is amended to refer to the disclosure requirements in respect of offsetting arrangements.	
Amendments to IAS 36 (Recoverable amount disclosures for Non-Financial Assets)	1-Jan-14
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 (Novation of Derivatives and Continuation of Hedge Accounting)	1-Jan-14
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 adopt these standards in the periods beginning on or after January 1, 2014. The early adoption is however permitted.

The application of these standards and interpretations had no material effect on the financial statements of the Group. There are not 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 9 (Financial Instruments) and subsequent amendments	1-Jan-15
This standard is the first step in the project to replace IAS 39, and it introduces new requirements for classifying and measuring financial assets. 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).	
IFRS 14 (Regulatory Deferral Accounts)	1-Jan-16
Permits an entity which is a first-time adopter of IFRS to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements.	
IAS 19 - Amendments (Defined Benefit Plans: 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-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.	
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.	
IFRIC 21 Levies (Levies Charged by Public Authorities on Entities that Operate in a Specific Market)	1-Jan-14
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 period ended at 31 March 2014. 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 anticipate 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 arrangements laid down in IFRS 11.

As set forth by the standards, this change has been applied retrospectively and therefore the consolidated balances sheets and the consolidated profit and loss statements at 31 March 2013 were changed.

The effects of these changes in balances sheets at 31 March 2013 and in profit and loss statements for the period ended at 31 March 2013 are as follow:

Balance sheet at 31 March 2013

(Amounts expressed in Euro)	Before the change	Effects of the change of the consolidation method of the companies jointly controlled	Balance sheet restated
Assets			
Tangible assets	576,161,039	(1,730,202)	574,430,837
Intangible assets	373,887,692	(3,362)	373,884,330
Goodwill	518,878,574	(321,698)	518,556,876
Investments in associated companies and companies jointly controlled	-	1,148,164	1,148,164
Other non-current assets	2,207,209	-	2,207,209
Deferred tax assets	98,064,904	-	98,064,904
Non-current assets	1,569,199,418	(907,098)	1,568,292,320
Trade debtors	139,304,250	(316,147)	138,988,103
Cash and cash equivalents	32,295,637	(490,822)	31,804,815
Other current assets	120,617,207	162,835	120,780,042
Current assets	292,217,094	(644,134)	291,572,960
Total assets	1,861,416,512	(1,551,232)	1,859,865,280
Liabilities			
Medium and long-term loans - net of short-term portion	195,358,777	(141,337)	195,217,440
Other non-current financial liabilities	18,046,070	(1,375,410)	16,670,660
Provisions for other liabilities and charges	43,437,246	76,900	43,514,146
Other non-current liabilities	35,057,191	-	35,057,191
Non-current liabilities	291,899,284	(1,439,847)	290,459,437
Short-term loans and other loans	171,132,405	-	171,132,405
Trade creditors	140,503,796	(35,931)	140,467,865
Other current liabilities	156,695,508	(75,454)	156,620,054
Current liabilities	468,331,709	(111,385)	468,220,324
Total liabilities	760,230,993	(1,551,232)	758,679,761
Shareholders' funds excluding non-controlling interests	1,100,817,336	-	1,100,817,336
Non-controlling interests	368,183	-	368,183
Total Shareholders' funds	1,101,185,519	-	1,101,185,519
Total Shareholders' funds and liabilities	1,861,416,512	(1,551,232)	1,859,865,280

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.c). As set forth by IFRS 5, changes were made in the consolidated profit and loss statements for the periods ended at 31 March 2013, in order to disclose a single caption in profit and loss statements ('Net income/(loss) for the period of discontinued operations') related to net income/(loss) of discontinued operations.

Profit and loss statement at 31 March 2013

(Amounts expressed in Euro)	Before the change	Effects of the change of the consolidation method of the companies jointly controlled	Restatement of the telecommunications contribution to discontinued operations	Profit and loss statement restated
Total revenue	196,207,958	(25,483)	(167,939,808)	28,242,667
Costs and losses				
External supplies and services	(90,845,487)	(280,103)	80,221,966	(10,903,624)
Depreciation and amortisation	(36,108,401)	106,882	33,934,352	(2,067,167)
Other operating costs	(43,738,766)	223,033	26,465,969	(17,049,764)
Financial results	(170,692,654)	49,812	140,622,287	(30,020,555)
Income taxation	(3,034,257)	(13,730)	271,201	(2,776,786)
	(4,046,588)	(10,599)	3,258,169	(799,018)
Consolidated net income/(loss) for the period of continued operations	18,434,459	-	(23,788,151)	(5,353,692)
Consolidated net income/(loss) for the period of discontinued operations	-	-	23,788,151	23,788,151
Consolidated net income/(loss) for the period of discontinued operations	18,434,459	-	-	18,434,459
Attributed to non-controlling interests	7,590	-	-	7,590
Attributed to shareholders of parent company	18,426,869	-	-	18,426,869
Earnings per share				
Including discontinued operations:				
Basic	0.05	0.00	0.00	0.05
Diluted	0.05	0.00	0.00	0.05
Excluding discontinued operations:				
Basic	0.05	0.00	(0.06)	(0.01)
Diluted	0.05	0.00	(0.06)	(0.01)

The accounting policies and measurement criteria adopted by the Group on 31 March 2014 are comparable with those used in the preparation of 31 December 2013 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 determined 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
Vehicles	1 - 4
Fixtures and fittings	1 - 15
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 straight-line 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 reappraisal of its calculation, are recorded directly in the profit and loss statement. The Group will choose, on an acquisition-by-acquisition basis, to measure non-controlling interests either at their proportionate interest on the fair value of the assets and liabilities acquired, or at the fair value of the non-controlling interests themselves. Until 1 January 2010, non-controlling interests were always measured at their proportionate interest on the fair value of the acquired assets and liabilities.

Contingent consideration is recognised as a liability, at the acquisition-date, according to its fair value, and any changes to its value are recorded as a change in the 'Goodwill', but only as long as they occur during the 'measurement period' (until 12



months after the acquisition-date) and as long as they relate to facts and circumstances that existed at the acquisition date, otherwise these changes must be recognised in profit or loss.

Transactions regarding the acquisition of additional interests in a subsidiary after control is obtained, or the partial disposal of an investment in a subsidiary while control is retained, are accounted for as equity transactions impacting the shareholders funds captions, and without giving rise to any additional 'Goodwill' and without any gain or loss recognised. The moment a sales transaction to generate a loss of control, should be derecognised assets and liabilities of the entity and any interest retained in the entity sold should be remeasured at fair value and any gain or loss calculated on the sale is recorded in results.

Until 1 January 2004, 'Goodwill' was amortised over the estimated period of recovery of the investments, usually 10 years, and the annual amortisation was recorded in the profit and loss statement under the caption 'Depreciation and amortisation'. Since 1 January 2004 and in accordance with the IFRS 3 – 'Business Combinations', the Group has ceased the amortisation of the 'Goodwill', subjecting them to impairment tests (paragraph 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 March 2014 the Group did not hold any 'Held-to-maturity investment'.

(iv) 'Available-for-sale financial assets'

Available-for-sale financial assets are non-derivative investments that are either designated in this category or not classified in any of the other above referred categories. They are included in non-current assets unless management intends to dispose them within 12 months of the balance sheet date.

Purchases and sales of investments are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. The 'Financial assets at fair value through profit or loss' are initially recognised at fair value and the transaction costs are recorded in the profit and loss statement. Investments are derecognised when the rights to receive cash flows from the investments have expired or all substantial risks and rewards of their ownership have been transferred.

'Available-for-sale financial assets' and 'Financial assets at fair value through profit or loss' are subsequently carried at fair value.

'Loans and receivables' and 'Held-to-maturity investments' are carried at amortised cost using the effective interest method.

Realised and unrealised gains and losses arising from changes in the fair value of financial assets classified at fair value through profit or loss are recognised in the profit and loss



statement. Realised and unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the profit and loss statement as gains or losses from investment securities.

The fair value of quoted investments is based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using other valuation techniques. These include the use of recent arm's length transactions, reference to similar instruments, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances. If none of these techniques can be used, the Group values those investments at cost net of any identified impairment losses. The fair value of listed investments is determined based on the closing Euronext share price at the balance sheet date.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In case of equity securities classified as available-for-sale, a significant (above 25%) or prolonged (in two consecutive quarters) decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment losses on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the profit and loss statement.

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.

l) 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 March 2014, 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 substantially 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 non-current liabilities', when it is possible to estimate reliably the amount and the timing of occurrence of the expense. If there is uncertainty regarding both the date of disbursement of funds, and the amount of the obligation, the value is classified as Provisions (note 1.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 17).

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 March 2014, Sonaecom, SGPS, S.A. have free reserves distributable amounting approximately Euro 17.0 million. To this effect were considered as distributable increments resulting from the application of fair value through equity components already exercised during the period ended 31 March 2014.

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:

	2014		2013	
	31 March	Average	31 March	Average
Pounds Sterling	1.2074	1.2078	1.1826	1.1756
Brazilian Real	0.3197	0.3087	0.3891	0.3796
American Dollar	0.7253	0.7301	0.7809	0.7578
Polish Zloti	0.2397	0.2390	0.2392	0.2406
Australian Dollar	0.6693	0.6547	0.8125	0.7872
Mexican Peso	0.0555	0.0552	0.0632	0.0600
Egyptian Pound	0.1042	0.1048	0.1148	0.1134
Malaysian Ringgit	0.2223	0.2213	0.2522	0.2459
Chilean Peso	0.0013	0.0013	0.0017	0.0016
Singapore Dollar	0.5758	0.5754	0.6289	0.6122
Swiss Franc	0.8201	0.8172	0.8200	0.8142
Swedish Krona	0.1118	0.1129	0.1197	0.1178
South African Rand	0.0686	0.0672	0.0846	0.0846
Angolan Kwanza	0.0074	0.0075	0.0081	0.0079
Moroccan Dirham	0.0890	0.0891	0.0902	0.0898

At 31 March 2014, the Group had foreign exchange forwards amount to USD 393,000, 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 determined 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';
- (iv) In the profit and loss statement, the 'elapsed' proportion continues to be charged as an expense under the caption 'Staff expenses'.

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

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

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

For The Sonaecom share plans the company converted all splans into Shares of Sonaecom SGPS. The impact associated with share plans for medium-term incentive referred, is recognized in the balance under the caption 'Other current liabilities' and 'Other non-current liabilities'. In the income statement, the cost is recognized under the caption 'Staff expenses' (Note 27).

Regarding the plans, originally 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 period ended at 31 March 2014 and 2013, 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.

b) Interest rate risk

Sonaecom's total debt is indexed to variable rates, exposing the total cost of debt to a high risk of volatility. The impact of this volatility on the Group results or on its Shareholders' funds is mitigated by the effect of the following factors (i) relatively low level of financial leverage; (ii) possibility to use derivative financial instruments that hedge the interest rate risk, as mentioned below; (iii) possible correlation between the level of market interest rates and economic growth having the latter a positive effect in other lines of the Group's consolidated results (particularly operational), and in this way partially offsetting the increase of financial costs ('natural hedge'); and (iv) the existence of stand alone or consolidated liquidity which is also bearing interest at a variable rate.

The Group only uses derivatives or similar transactions to hedge interest rate risks considered significant. Three main principles are followed in all instruments selected and used to hedge interest rate risk:



- For each derivative or instrument used to hedge a specific loan, the interest payment dates on the loans subject to hedging must equalise the settlement dates defined under the hedging instrument;
- Perfect match between the base rates: the base rate used in the derivative or hedging instrument should be the same as that of the facility/transaction which is being hedged;
- As from the start of the transaction, the maximum cost of the debt, resulting from the hedging operation is known and limited, even in scenarios of extreme changes in market interest rates, so that the resulting rates are within the cost of the funds considered in the Group's business plan.

As all Sonaecom's borrowings (note 15) are at variable rates, interest rate swaps and other derivatives are used, when it is deemed necessary, to hedge future changes in cash flow relating to interest payments. Interest rate swaps have the financial effect of converting the respective borrowings from floating rates to fixed rates. Under the interest rate swaps, the Group agrees with third parties (banks) to exchange, in pre-determined periods, the difference between the amount of interest calculated at the fixed contract rate and the floating rate at the time of re-fixing, by reference to the respective agreed notional amounts.

The counterparties of the derivative hedging instruments are limited to highly rated financial institutions, being the Group's policy, when contracting such instruments, to give preference to financial institutions that form part of its financing transactions. In order to select the counterparty for occasional operations, Sonaecom requests proposals and indicative prices from a representative number of banks in order to ensure adequate competitiveness of these operations.

In determining the fair value of hedging operations, the Group uses certain methods, such as option valuation and discounted future cash flow models, using assumptions based on market interest rates prevailing at the balance sheet date.

Comparative financial institution quotes for the specific or similar instruments are used as a benchmark for the valuation.

The fair value of the derivatives contracted, that are considered as fair value hedges or the ones that are considered not sufficiently effective for cash flow hedge (in accordance with the provisions established in IAS 39), are recognised under borrowings captions and changes in the fair value of such derivatives are recognised directly in the profit and loss statement for the year. The fair value of derivatives of cash flow hedge, that are considered effective according to IAS 39, are recognised under borrowing captions and changes in the fair value are recognised in equity.

Sonaecom's Board of Directors approves the terms and conditions of the financing with significant impact in the Group, based on the analysis of the debt structure, the risks

and the different options in the market, particularly as to the type of interest rate (fixed / variable). Under the policy defined above, the Executive Committee is responsible for the decision on the occasional interest rate hedging contracts, through the monitoring of the conditions and alternatives existing in the market.

Liquidity risk

The existence of liquidity in the Group requires the definition of some policies for an efficient and secure management of the liquidity, allowing us to maximise the profitability and to minimise the opportunity costs related to that liquidity.

The liquidity risk management has a threefold objective: (i) Liquidity, ie, to ensure the permanent access in the most efficient way to obtain sufficient funds to settle current payments within the respective dates of maturity as well as any eventual not forecasted requests for funds, within the deadlines set for this; (ii) Safety, ie to minimise the probability of default in any reimbursement of application of funds; and (iii) Financial Efficiency, ie, to ensure that the Group maximises the value / minimises the opportunity cost of holding excess liquidity in the short term.

The main underlying policies correspond to the variety of instruments allowed, the maximum acceptable level of risk, the maximum amount of exposure by counterparty and the maximum periods for investments.

The existing liquidity in the Group should be applied to the alternatives and by the order described below:

- Amortisation of short-term debt – after comparing the opportunity cost of amortisation and the opportunity cost related to alternative investments;
- Consolidated management of liquidity – the existing liquidity in Group companies, should mainly be applied in Group companies, to reduce the use of bank debt at a consolidated level; and
- Applications in the market.

The applications in the market are limited to eligible counterparties, with ratings previously established by the Board and limited to certain maximum amounts by counterparty.

The definition of maximum amounts intends to ensure that the application of liquidity in excess is made in a prudent way and taking into consideration the best practices in terms of bank relationships.

The maturity of applications should equal the forecasted payments (or the applications should be easily convertible, in



the case of asset investments, to allow urgent and not estimated payments), considering a threshold for eventual deviations on the estimates. The threshold depends on the accuracy level of treasury estimates and would be determined by the business. The accuracy of the estimates is an important variable to quantify the amounts and the maturity of the applications in the market.

The maturity analysis for the loans obtained is presented in note 15.

Credit risk

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

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

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

2. Companies included in the consolidation

Group companies included in the consolidation through full consolidation method, their head offices, main activities, Shareholders and percentage of share capital held at 31 March 2014 and 2013, are as follows:

Company (Commercial brand)	Head office	Main activity	Shareholder	Percentage of share capital held			
				2014		2013	
				Direct	Effective*	Direct	Effective*
Parent company							
SONAECON, S.G.P.S., S.A. ('Sonaecom')	Maia	Management of shareholdings.	-	-	-	-	-
Subsidiaries							
Be Artis – Conceção, Construção e Gestão de Redes de Comunicações, S.A. ('Artis') (a)	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%
Be Towering – Gestão de Torres de Telecomunicações, S.A. ('Be Towering') (a)	Maia	Implementation, installation and exploitation of towers and other sites for the instalment of telecommunications equipment.	Optimus SGPS	-	-	100%	100%
Cape Technologies Limited ('Cape Technologies')	Dublin	Rendering of consultancy services in the area of information systems.	We Do	100%	100%	100%	100%
Digitmarket – Sistemas de Informação, S.A. ('Digitmarket' – using the brand 'Bizdirect')	Maia	Development of management platforms and commercialisation of products, services and information, with the internet as its main support.	Sonae com SI	75.10%	75.10%	75.10%	75.10%
Lugares Virtuais, S.A. ('Lugares Virtuais') (b)	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	Dissolved		100%	100%
Mainroad – Serviços em Tecnologias de Informação, S.A. ('Mainroad')	Maia	Rendering of consultancy services in IT areas.	Sonae com SI	100%	100%	100%	100%
Miauger – Organização e Gestão de Leilões Electrónicos, S.A. ('Miauger')	Maia	Organisation and management of electronic auctions of products and services on-line.	Sonaecom	100%	100%	100%	100%
Optimus – Comunicações, S.A. ('Optimus') (a)	Maia	Implementation, operation, exploitation and offer of networks and rendering services of electronic communications and related resources; offer and commercialisation of products and equipments of electronic communications.	Optimus SGPS	-	-	100%	100%
Optimus, S.G.P.S., S.A. ('Optimus SGPS') (a)	Maia	Management of shareholdings in the area of telecommunications.	Sonaecom	-	-	100%	100%
PCJ – Público, Comunicação e Jornalismo, S.A. ('PCJ')	Maia	Editing, composition and publication of periodical and non-periodical material and the exploration of radio and TV stations and studios.	Sonaecom	100%	100%	100%	100%
Per-Mar – Sociedade de Construções, S.A. ('Per-Mar') (a)	Maia	Purchase, sale, renting and operation of property and commercial establishments.	Optimus SGPS	-	-	100%	100%
Praesidium Services Limited ('Praesidium Services')	Berkshire	Rendering of consultancy services in the area of information systems.	Sonae com SI	100%	100%	-	-
Público – Comunicação Social, S.A. ('Público')	Oporto	Editing, composition and publication of periodical and non-periodical material.	We Do UK	-	-	100%	100%
Saphety Level – Trusted Services, S.A. ('Saphety')	Oporto	Editing, composition and publication of periodical and non-periodical material.	Sonaecom	100%	100%	100%	100%
Saphety Level – Trusted Services, S.A. ('Saphety')	Maia	Rendering services, training, consultancy services in the area of communication, process and electronic certification of data; trade, development and representation of software.	Sonae com SI	86.995%	86.995%	86.995%	86.995%
Saphety Brasil Transações Eletrônicas Ltda. ('Saphety Brasil')	São Paulo	Rendering services, training, consultancy services in the area of communication, process and electronic certification of data; electronic identification, storage and availability of databases and electronic payments; trade, development and representation of software related with these services.	Saphety	99.8%	86.821%	99.8%	86.821%
Saphety – Transacciones Electronicas SAS ('Saphety Colômbia')(c)	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%	-	-

Company (Commercial brand)	Head office	Main activity	Shareholder	Percentage of share capital held			
				2014		2013	
				Direct	Effective*	Direct	Effective*
Sonaecom - Serviços Partilhados, S.A. ('Sonaecom SP')	Maia	Support, management consulting and administration, particularly in the areas of accounting, taxation, administrative procedures, logistics, human resources and training.	Sonaecom	100%	100%	100%	100%
Sonae com - Sistemas de Informação, S.G.P.S., S.A. ('Sonae com SI')	Maia	Management of shareholdings in the area of corporate ventures and joint ventures.	Sonaecom	100%	100%	100%	100%
Sonaecom - Sistemas de Información Española, S.L. ('SSI Española')	Madrid	Rendering of consultancy services in the area of information systems.	Sonae com SI	100%	100%	100%	100%
Sonaecom BV	Amsterdam	Management of shareholdings.	Sonaecom	100%	100%	100%	100%
Sonaetelecom BV	Amsterdam	Management of shareholdings.	Sonaecom	100%	100%	100%	100%
Sontária - Empreendimentos Imobiliários, S.A. ('Sontária') (a)	Maia	Realisation of urbanisation and building construction, planning, urban management, studies, construction and property management, buy and sale of properties and resale of purchased for that purpose.	Optimus SGPS	-	-	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')	Amsterdam	Management of shareholdings.	We Do	100%	100%	100%	100%
We Do Technologies BV - Malaysian Branch ('We Do Malásia')	Kuala Lumpur	Rendering of consultancy services in the area of information systems.	We Do BV	100%	100%	100%	100%
We Do Technologies Chile SpA ('We Do Chile') (d)	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	90%	90%	90%	90%
			Sonaecom BV	5%	5%	5%	5%
			Sonaetelecom BV	5%	5%	5%	5%
We Do Technologies (UK) Limited ('We Do UK')	Berkshire	Management of shareholdings.	We Do	100%	100%	100%	100%
We Do Technologies Mexico, S de RL. ('We Do Mexico')	Mexico City	Rendering of consultancy services in the area of information systems.	Sonaecom BV	0.001%	0.001%	5%	5%
			We Do BV	99.999%	99.999%	95%	95%
We Do Technologies Panamá S.A. ('We Do Panamá')	Panamá City	Rendering of consultancy services in the area of information systems.	We Do BV	100%	100%	100%	100%
We Do Technologies Singapore PTE. LTD. ('We Do Singapura')	Singapore	Rendering of consultancy services in the area of information systems.	We Do BV	100%	100%	100%	100%

* Sonaecom effective participation

(a) Companies included in Group Zopt consolidation perimeter, following the merger between Optimus SGPS and Zon (note 3.c)

(b) Company dissolved in February 2014

(c) Company established in April 2013

(d) 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 periods ended at 31 March 2014 and 2013, the following changes occurred in the composition of the Group:

a) Acquisitions

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



At 1 January 2013, the merger of Conectiv at WeDo USA occurred.

b) Dissolutions

Shareholder	Subsidiary	Date	% shareholding
2014			
Miauger	Lugares Virtuais	Feb-14	100%

c) 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.('Zopt') (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'. 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).

¹ The Zopt participation of 598 million euros ($598 = ((2,850 \times 50.01\%) - 230) \times 50\%$) 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, respectively (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, million 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%.

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. In 31 March 2014, as a result of a reassessment of tax claims and deferred taxes, contingent liabilities and deferred taxes has been changed, and an adjustment has been made to the final goodwill, in accordance with IFRS 3 - Business Combinations. The detail of Zon Group's net assets and Goodwill identified under this transaction are as follows:

(Amounts expressed in thousand 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
	1,171,773	524,925	1,696,698
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 initially estimated			1,049,745
Goodwill adjustments			(2,426)
Final Goodwill			1,047,319
Acquisition price			1,500,000

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 thousand 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			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, 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 25)		(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 detailed 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		(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	17	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		353,055,251
Total assets and liabilities derecognized		(992,397,240)


4. Breakdown of financial instruments

At 31 March 2014 and 2013, the breakdown of financial instruments was as follows:

							2014
	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	47,595	-	-	-	47,595	-	47,595
	47,595	115,448	-	-	163,043	-	163,043
Current assets							
Financial assets at fair value through profit or loss (note 9)	-	-	64,549,251	-	64,549,251	-	64,549,251
Trade debtors	35,874,242	-	-	-	35,874,242	-	35,874,242
Other current debtors	6,827,849	-	-	-	6,827,849	6,541,550	13,369,399
Other current assets	-	-	-	8,065,073	8,065,073	2,216,332	10,281,405
Cash and cash equivalents (note 12)	184,454,049	-	-	-	184,454,049	-	184,454,049
	227,156,140	-	64,549,251	8,065,073	299,770,464	8,757,882	308,528,346

							2013 (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)	-	215,448	-	-	215,448	-	215,448
Other non-current assets	1,991,761	-	-	-	1,991,761	-	1,991,761
	1,991,761	215,448	-	-	2,207,209	-	2,207,209
Current assets							
Trade debtors	138,988,103	-	-	-	138,988,103	-	138,988,103
Other current debtors	18,720,948	-	-	-	18,720,948	6,587,475	25,308,423
Other current assets	-	-	-	59,585,907	59,585,907	20,490,513	80,076,420
Cash and cash equivalents (note 12)	31,804,815	-	-	-	31,804,815	-	31,804,815
	189,513,866	-	-	59,585,907	249,099,773	27,077,988	276,177,761

						2014
		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)		4,865,646	-	4,865,646	-	4,865,646
Other non-current financial liabilities (note 16)		-	387,176	387,176	-	387,176
Other non-current liabilities		-	63,485	63,485	622,024	685,509
		4,865,646	450,661	5,316,307	622,024	5,938,331
Current liabilities						
Short-term loans and other loans (note 15)		21,276,826	-	21,276,826	-	21,276,826
Trade creditors		-	19,173,420	19,173,420	-	19,173,420
Other current financial liabilities (note 18)		-	174,861	174,861	-	174,861
Other creditors		-	249,739	249,739	4,329,277	4,579,016
Other current liabilities		-	17,516,996	17,516,996	8,710,708	26,227,704
		21,276,826	37,115,016	58,391,842	13,039,985	71,431,827



					2013 (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 15)	195,217,440	-	195,217,440	-	195,217,440
Other non-current financial liabilities (note 16)	-	16,670,660	16,670,660	-	16,670,660
Other non-current liabilities	-	33,772,101	33,772,101	127,820	33,899,921
	195,217,440	50,442,761	245,660,201	127,820	245,788,021
Current liabilities					
Short-term loans and other loans (note 15)	171,132,405	-	171,132,405	-	171,132,405
Trade creditors	-	140,467,865	140,467,865	-	140,467,865
Other current financial liabilities (note 18)	-	2,736,187	2,736,187	-	2,736,187
Other creditors	-	17,199,978	17,199,978	15,046,772	32,246,750
Other current liabilities	-	94,762,900	94,762,900	26,874,217	121,637,117
	171,132,405	255,166,930	426,299,335	41,920,989	468,220,324

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

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

5. Tangible assets

The movement in tangible assets and in the corresponding accumulated depreciation and impairment losses in the periods ended at 31 March 2014 and 2013 was as follows:

							2014
	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 2013	7,444,000	11,448,857	36,094	7,013,597	251,073	1,302,572	27,496,193
Additions	19,510	3,931	-	43,605	-	218,990	286,036
Disposals	(63)	(203,518)	-	(19,664)	-	-	(223,245)
Transfers and write-offs	790,863	61,026	-	497,737	19	(1,343,060)	6,585
Balance at 31 March 2014	8,254,310	11,310,296	36,094	7,535,275	251,092	178,502	27,565,569
Accumulated depreciation and impairment losses							
Balance at 31 December 2013	4,614,466	11,042,578	12,625	6,061,365	235,061	-	21,966,095
Depreciation for the period	171,375	34,036	1,843	135,689	1,783	-	344,726
Disposals	(6)	(203,520)	-	(19,664)	-	-	(223,190)
Transfers and write-offs	7,768	494	-	7,241	3	-	15,506
Balance at 31 March 2014	4,793,603	10,873,588	14,468	6,184,631	236,847	-	22,103,137
Net value	3,460,707	4,367,088	21,626	1,350,644	14,245	178,502	5,462,432



							2013 (restated)
	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	1,666	1,053,706	-	4,629,263	-	8,209,474	13,894,109
Disposals	(48,155)	(660,243)	-	(139,513)	-	-	(847,911)
Transfers and write-offs	1,732,405	10,293,392	-	(968,400)	67,753	(10,605,064)	520,086
Balance at 31 March 2013	302,819,200	1,082,974,001	171,736	216,748,279	6,782,811	18,270,050	1,627,766,077
Accumulated depreciation and impairment losses							
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 period	2,172,952	14,068,968	7,108	4,611,651	70,261	-	20,930,940
Disposals	(37,163)	(345,133)	-	(67,381)	-	-	(449,677)
Transfers and write-offs	7,786	(117,940)	-	(278,718)	-	-	(388,872)
Balance at 31 March 2013	171,066,921	679,904,512	158,300	196,007,617	6,197,890	-	1,053,335,240
Net value	131,752,279	403,069,489	13,436	20,740,662	584,921	18,270,050	574,430,837

The additions that occurred during the periods ended at 31 March 2013 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 March 2014, following the merger between Optimus SGPS and Zon and the consequent derecognition of the assets of the telecommunications segment (note 3.c) during the year of 2013, the assets above mentioned were no longer part of the initial and final balance (note 3.c).

At 31 March 2013, the depreciations of the period were Euro 20,930,940 that include an amount of Euro 19,637,460 related to the depreciations of assets of discontinued operations (notes 3.c and 25) and an amount of Euro 1,293,480 related to continued operations, so that the reconciliation to 'Profit and loss statement' is as follows:

	Continued operations	Discontinued operations (note 25)	Total
Tangible assets	1293.480	19.637.460	20.930.940
Intangible assets (note 6)	773.687	14.296.892	15.070.579
	2.067.167	33.934.352	36.001.519

At 31 March 2013, additions include about Euro 1.8 million of capitalizations of personnel costs related to own work, mainly related to network development projects.

The acquisition cost of 'Tangible assets' and 'Intangible assets' held by the Group under finance lease contracts, amounted to Euro 1,359,302 and Euro 36,793,278 as of 31 March 2014 and 2013, and their net book value as of those dates amounted to Euro 505,900 and Euro 18,800,543, respectively. During the year ended at 31 December 2013, the finance lease contracts of Optimus-Comunicações SA and Be Artis, were derecognised (note 3.c), therefore, the finance lease contracts were no longer part of the initial and final balance on 31 March 2014.

At 31 March 2013, the heading 'Tangible assets' included an amount of Euro 26.0 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.c), therefore the assets above mentioned were no longer a part of the initial and final balance of 'tangible assets'.

At 31 March 2014 and 2013, the heading 'Tangible assets' does not include any asset pledged or given as a guarantee for loans obtained, except for the assets acquired under financial lease contracts.

'Tangible assets in progress' at 31 March 2014 and 2013 were made up as follows:

	2014	2013
Development of mobile/fixed network	-	14,833,294
Information systems / IT equipment	104,192	1,555,192
Other projects in progress	74,310	1,881,564
	178,502	18,270,050

The variation in 'Tangible assets in progress' is due to the derecognition of the telecommunications' assets in august of 2013 (note 3.c).

At 31 March 2014 and 2013, the amounts of commitments to third parties relating to investments to be made were as follows:

	2014	2013
Network	-	9,129,703
Information systems	-	1,655,994
	-	10,785,697

During the period ended at 31 March 2014, there are no commitments to third parties relating to investments to be made, because, all of them were related to telecommunications companies (note 3.c).

6. Intangible assets

In the periods ended at 31 March 2014 and 2013, the movement occurred in Intangible assets and in the corresponding accumulated amortisation and impairment losses, was as follows:

				2014
	Brands and patents and other rights	Software	Intangible assets in progress	Total
Gross assets				
Balance at 31 December 2013	10,348,140	30,539,349	4,561,408	45,448,897
Additions	181,918	5,220	1,114,644	1,301,782
Transfers and write-offs	11,878	2,198,090	(2,092,772)	117,196
Balance at 31 March 2014	10,541,936	32,742,659	3,583,280	46,867,875
Accumulated amortisation and impairment losses				
Balance at 31 December 2013	7,141,359	21,660,278	-	28,801,637
Amortisation for the period	555,115	521,809	-	1,076,924
Transfers and write-offs	(1,741)	84,423	-	82,682
Balance at 31 March 2014	7,694,733	22,266,510	-	29,961,243
Net value	2,847,203	10,476,149	3,583,280	16,906,632

				2013 (restated)
	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	6,002,180	288,121	3,979,465	10,269,766
Disposals	-	(808)	-	(808)
Transfers and write-offs	37,748	599,960	(2,511,276)	(1,873,568)
Balance at 31 March 2013	477,774,459	325,631,133	24,162,637	827,568,229
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 period	9,959,633	5,110,946	-	15,070,579
Disposals	-	(310)	-	(310)
Transfers and write-offs	(608)	(1,030,493)	-	(1,031,101)
Balance at 31 March 2013	194,461,842	259,222,057	-	453,683,899
Net value	283,312,617	66,409,076	24,162,637	373,884,330

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.c).

Intangible assets in the period ended at 31 March 2013, include an amount of approximately Euro 110 million, corresponding to the current value of future payments related with the acquisition of rights of use for frequency (spectrum) bands of 800 MHz, 1800 MHz and 2600 MHz, which will be used to develop 4th generation services (LTE - Long Term Evolution). 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.c).

At 31 March 2013, the amortisation of the period of Euro 15,070,579 include an amount of Euro 14,296,892 related to the amortisation of assets of discontinued operations (notes 3.c and 25) and an amount of Euro 773,687 related to continued operations.

At 31 March 2013, the Group kept recorded under the heading 'Intangible assets – brands and contents' the amounts of Euro 168,723,687, that correspond to the investments net of depreciations made in the development of the UMTS network, including: (i) Euro 53,255,114 related to the license; (ii) Euro 17,794,486 related to the agreement signed in 2002 between Oni Way and the other three mobile telecommunication operators with activity in Portugal; (iii) Euro 5,456,224 related to a contribution to the 'Fundação para as Comunicações Móveis', established in 2007, under an agreement entered with 'MOPCT' and the three mobile telecommunication operators in Portugal; and (iv) Euro 87,658,716 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.c).

The caption 'Brands and patents and other rights' includes also, in the period ended at 31 March 2013, an amount of about Euro 12.2 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.c).

Intangible and tangible assets include interest and other financial expenses incurred, directly related to the construction of certain items of work in progress. At 31 March 2013, the total net amount of financial expenses capitalization amounted to Euro 9,334,452. The amount capitalised in the period ended at 31 March 2013 was Euro 159,849. An interest capitalisation rate of 2.6%, 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.c).

At 31 March 2014, additions include about Euro 1.1 million of capitalizations of personnel costs related to own work (about Euro 2.0 million at 31 March 2013), 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 periods ended at 31 March 2014 and 2013, the movements occurred in Goodwill were as follows:

	2014	2013 (restated - note 1)
Opening balance	28,434,416	517,985,506
Goodwill adjustment of Connectiv	-	412,703
Other movements of the period	10,118	158,667
Closing balance	28,444,534	518,556,876

For the periods ended at 31 March 2014 and 2013, the caption 'Other movements of the period' includes, mainly, the effects of the exchange rate update of the Goodwill.

The variation occurred between the periods of 31 March 2014 and 2013, 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.c).

Thus, Goodwill at 31 March 2014 and 2013 was made up as follows:

	Information Systems	Multimedia	Telecommunications
2014			
Goodwill	22,414,534	6,030,000	
2013 (restated)			
Goodwill	26,406,535	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.

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 initially 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 recognition 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, synergies, qualified workforce, technical skills and market power. The total amount of this Goodwill will be considered as fiscal cost in Connectiv accounts, for a period of 15 years, 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 amortised 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 permitted by IFRS 3 to goodwill allocation.

At 1 January 2013, Connectiv was incorporated, by merger, in WeDo USA.

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, leading the record of a loss in the amount of Euro 970 thousand in the year of 2013, under the caption 'Depreciation and amortisation' of the Income Statement, in accordance with the policy described in note 1.w).

The evidence of impairment analysis, the revision of the projections and impairment tests did not lead to clearance of losses, in the periods ended at 31 March 2014 and 2013. 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 March 2014 and 2013, are as follows:

		Percentage of ownership				Value in profit and loss statement	
		31 March 2014		31 March 2013		31 March 2014	31 March 2013 (restated - note 1)
	Head Office	Direct	Total	Direct	Total		
ZOPT (a)	Porto	50%	50%	50%	50%	5,004,355	(18,296)
Unipress – Centro Gráfico, Lda. ('Unipress')	Vila Nova de Gaia	50%	50%	50%	50%	60,336	76,939
Sociedade Independente de Radiodifusão Sonora, S.A. ('S.I.R.S.' – using the brand name 'Rádio Nova')	Porto	45%	45%	45%	45%	(20,401)	(15,762)
Infosystems (a)	Luanda	Sold		50%	50%	-	132,366
Total (note 20)						5,044,290	175,247

(a) Includes the results of the subsidiaries, proportionally to capital held

The associated companies and companies jointly controlled have been consolidated by the equity method.

At 31 March 2014 the group only held jointly controlled companies.

During the periods ended at 31 March 2014 and 2013, the movement occurred in investments in associated companies and companies jointly controlled, were as follows:

	31 March 2014			31 March 2013 (restated - note 1)		
	Ownership value	Goodwill	Total investment	Ownership value	Goodwill	Total investment
Investments in associated companies and companies jointly controlled						
Balance at 1 January	622,585,085	87,849,200	710,434,285	631,382	321,700	953,082
Equity method						
Effect on gains and losses (note 20)	5,064,691	-	5,064,691	191,009	-	191,009
Effect on reserves	(2,580,773)	-	(2,580,773)	4,073	-	4,073
Total investment in associated companies and companies jointly controlled	625,069,003	87,849,200	712,918,203	826,464	321,700	1,148,164
Impairment losses (note 17)	(125,785)	-	(125,785)	(76,900)	-	(76,900)
Net value	624,943,218	87,849,200	712,792,418	749,564	321,700	1,071,264

The variation occurred between the periods ended at 31 March 2014 and 2013, in Investments in associated companies and companies jointly controlled corresponds essentially to the increase on Zopt according to the following:

	2013
Zopt	
Participation in Zopt (note 3.c)	597,641,944
Supplementary capital in Zopt (note 3.c)	230,000,000
Sold of supplementary capital of Zopt (note 3.c)	(115,000,000)
Total	712,641,944

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 March 2014			31 March 2013 (restated - note 1)		
	Ownership value	Goodwill	Total investment	Ownership value	Goodwill	Total investment
Investments in associated companies and companies jointly controlled						
Zopt	624,503,026	87,527,500	712,030,526	6,704	-	6,704
Unipress	565,977	321,700	887,677	681,483	321,700	1,003,183
SIRS	(125,785)	-	(125,785)	(76,900)	-	(76,900)
Infosystems	-	-	-	138,277	-	138,277
Total	624,943,218	87,849,200	712,792,418	749,564	321,700	1,071,264

The key financial indicators of the entities above mentioned, can be summarized as follows:

(Amounts expressed in thousand Euro)							2014
Empresa	% holding	Asset	Liability	Equity	Revenue	Operational results	Net result
ZOPT*	50%	4,330,397	1,809,113	2,521,284	337,344	37,313	20,630
Unipress	50%	4,577	3,445	1,132	786	313	121
SIRS	45%	297	576	(280)	174	(27)	(45)

* Consolidated accounts of Zopt Group, prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

The equity includes non controlling interests.

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.

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 29.9 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 17,3 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 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 Açoreana 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

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. The action awaits trial.

6. 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.

7. 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 March 2014, damages were charged by ZON TV Cabo and Optimus to a total of 21,403 thousand euros and 82,986 thousand euros, respectively. During the quarter ended at 31 March 2014, were received and recognized on results, the amounts of Euro 119 thousand euros and 1,415 thousand euros, respectively.

8. Interconnection tariffs

At 31 March 2014, 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 MEO – Serviços de Comunicação e Multimedia, S.A. (previously called TMN-Telecomunicações Moveis Nacionais, S.A.), in relation to the indefiniton 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 MEO. However, MEO 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.

9. National Commission for Data Protection ('CNDP')

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 and Zon (note 3.c), since it is the initial classification of an asset held for a sale purpose in a short-time. In accordance with the 'Shareholders Agreement', these shares neither concedes any additional vote right or affect the shared control situation with Zon Optimus.

In the period ended 31 March 2014 were acquired Sonae shares in accordance with the movement described below.

The movements occurred in financial assets at fair value through profit or loss, in 31 March 2014 were as follows:

					2014
Financial assets at fair value through profit or loss	Opening balance	Increases	Decreases	Fair value adjustments (note 20)	Closing balance
Zon Optimus	202,442,350	-	(141,650,837)	1,979,919	62,771,432
Sonae SGPS	-	1,726,476	-	51,343	1,777,819
	202,442,350	1,726,476	(141,650,837)	2,031,262	64,549,251

The fair value adjustments are recorded under the caption 'Gains and losses on Group companies' in Profit and Loss Statement (note 20).

Decreases at 31 March 2014 represent the counterpart in Zon Optimus shares provided for the terms of trade of the General Public and Voluntary Offer for acquisition of own shares Optimus. As a result of this offering Sonaecom reduced its investment in shares in Zon Optimus 26,476,792 shares (EUR 141,650,837) (Note 13) and now holds 11,012,532 shares representing the share capital of Zon Optimus, corresponding to a share of 2.14%.

The evaluation of fair value of the investment is detail as follows:

	Zon Optimus	Sonae SGPS
Shares	11,012,532	1,303,386
Level of inputs in the hierarchy of fair value	Level 1	
Valuation method	Quoted price on the stock exchange	
Quoted price*	5.7	1.364
Fair value	62,771,432	1,777,819

* Used the share price of 31 March 2014 in the determination of the fair value.

10. Investments available for sale

At 31 March 2014 and 2013, this caption included investments classified as available-for-sale and was made up as follows:

	%	2014	2013
Lusa - Agência de Notícias de Portugal, S.A.	1.38%	197,344	197,344
VISAPRESS - Gestão de Conteúdos dos Média, CRL	10.00%	5,000	5,000
Others	-	13,104	13,104
Impairment losses		(100,000)	-
		115,448	215,448

The variation that occurred on the heading 'Investments available for sale', corresponded to 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 on the year ended at 31 December 2013.

At 31 March 2014, 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⁾	13,630	6,201	1,020	14,311	(626)	(1,018)
VISAPRESS - Gestão de Conteúdos dos Média, CRL ⁽¹⁾	110	10	-	58	8	8

⁽¹⁾ Amounts expressed in thousands euro at 31 December 2013.

11. Deferred taxes

Deferred tax assets at 31 March 2014 and 2013, amounted to Euro 5,033,127 and Euro 98,064,904, respectively, and arose, mainly, from tax losses carried forward, tax benefits from differences between the accounting and tax amount of some fixed assets and from others temporary differences. The movements in deferred tax assets in the periods ended at 31 March 2014 and 2013 were as follows:

					2014
	Balance at 31 December 2013	Movements in deferred tax of period	Utilization of deferred tax	Record/(reverse) of deferred tax of previous years	Balance at 31 March 2014
Tax losses	848,995	192,494	-	-	1,041,489
Tax provisions not accepted and other temporary differences	1,510,903	(187,779)	-	(15,308)	1,307,816
Tax benefits (SIFIDE and RFAI)	946,535	-	(153,151)	(56,312)	737,072
Adjustments in the conversion to IAS/IFRS	227	-	-	(81)	146
Differences between the tax and accounting amount of certain fixed assets and others	1,997,545	-	-	(63,042)	1,934,503
Sub-total effect on results (note 21)	5,304,205	4,715	(153,151)	(134,743)	5,021,026
Others	(104,319)	116,420	-	-	12,101
Closing balance	5,199,886	121,135	(153,151)	(134,743)	5,033,127

					2013
	Balance at 31 December 2012	Movements in deferred tax of year	Utilization of deferred tax	Record/(reverse) of deferred tax of previous years	Balance at 31 March 2013
Tax losses	6,172,973	185,848	-	192,533	6,551,354
Tax provisions not accepted and other temporary differences	36,302,876	(1,012,933)	-	(1,238)	35,288,705
Tax benefits (SIFIDE and RFAI)	9,709,216	-	-	1,086,743	10,795,959
Adjustments in the conversion to IAS/IFRS	13,249,801	(1,656,225)	-	-	11,593,576
Temporary differences arising from the securitisation of receivables	3,220,000	-	(805,000)	-	2,415,000
Differences between the tax and accounting amount of certain fixed assets and others	32,510,701	(1,649,599)	-	529,658	31,390,760
Sub-total effect on results	101,165,567	(4,132,909)	(805,000)	1,807,696	98,035,354
Others	(30,786)	60,336	-	-	29,550
Closing balance	101,134,781	(4,072,573)	(805,000)	1,807,696	98,064,904

At 31 March 2013, '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 31 March 2014, these assets are no longer part of the initial balance, following the merger between Optimus SGPS and Zon at August of 2013 and, subsequently, the derecognition of the assets and liabilities of the telecommunications segment (note 3.c).

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 August 2013, following the merger between Optimus SGPS and Zon and, the assets and liabilities of the telecommunications segment has been desrecognized (note 3.c), and so they are no longer part of the initial balance at 31 March 2014.

At 31 March 2014 and 2013, 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 March 2014, in Portuguese companies, to calculate the deferred tax assets relating to tax losses carried forward was 23% (25% in 31 March 2013), 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 March 2014 was as follows:

Nature	Companies included in the tax group	Companies excluded of the tax group							2014
		Digitmarket	We Do Brasil	We Do USA	Sonocom Sistemas de Informação Espanha	We Do Mexico	Saphety Brasil	Total	
Tax losses:									Total Sonaecom Group
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	58,329	-	209,874	209,874
To be used until 2030	-	-	-	123,739	7,393	-	-	131,132	131,132
To be used until 2033	-	-	-	196,320	-	-	-	196,320	196,320
To be used until 2034	-	-	-	134,165	-	-	-	134,165	134,165
Tax losses	-	-	-	454,224	158,938	428,327	-	1,041,489	1,041,489
Tax provisions not accepted and other temporary differences	983,891	19,770	252,870	-	-	48,271	3,014	323,925	1,307,816
Tax benefits (SIFIDE and RFAI)	720,543	-	-	16,529	-	-	-	16,529	737,072
Adjustments in the conversion to IAS/IFRS of certain fixed assets and others	-	146	-	-	-	-	-	146	146
Others	-	-	11,165	(913)	-	1,724	125	12,101	12,101
Total	1,704,434	19,916	264,035	469,840	158,938	478,322	3,139	1,394,190	5,033,127

At 31 March 2014 and 2013, 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:

	2014	2013
Tax losses	6,087,577	22,352,915
Temporary differences (provisions not accepted for tax purposes and other temporary differences)	35,095,847	36,045,542
Others	1,312,096	3,894,745
	42,495,520	62,293,202

At 31 March 2014 and 2013, tax losses for which deferred tax assets were not recognised have the following due dates:

Due date	2014	2013
2013	-	13,458,713
2014	305,884	695,592
2015	1,234,808	3,739,042
2016	304,480	407,700
2017	209,189	441,964
2018	215,564	65,437
2019	347,638	331,156
2020	28,467	28,260
2021	53,860	53,860
2022	53,174	11,566
2023	11,676	-
2026	4,674	-
2030	84,942	84,675
2031	105,369	42,529
2032	39,734	-
Unlimited	3,088,118	2,992,421
	6,087,577	22,352,915

The years 2026 and following are applicable to the subsidiaries incorporated in countries in which the reporting period of tax losses is greater than 12 years.

The deferred tax liabilities at 31 March 2014 amounting to Euro 47,736 (2013: Euro 1,157,270), result mainly from temporary differences between tax and accounting results of intangible assets.

The movement that occurred in deferred tax liabilities in the periods ended at 31 March 2014 and 2013 were as follows:

	2014	2013
Opening balance	(89,522)	(1,089,637)
Temporary differences between accounting and tax result	41,488	(50,572)
Sub-total effect on results (note 21)	41,488	(50,572)
Others	298	(17,061)
Closing balance	(47,736)	(1,157,270)

The reconciliation between the earnings before taxes and the taxes recorded for the periods ended at 31 March 2014 and 2013 is as follows:

	2014	2013 (restated - note 1)
Earnings before taxes	7,587,085	(4,554,674)
Income tax rate	(1,745,030)	1,138,669
Deferred tax assets not recognised in the individual accounts and / or resulting from consolidation adjustments and other adjustments to taxable income	1,510,968	(2,000,678)
Record/(reverse) of deferred tax assets related to previous years and tax benefits	(134,743)	191,295
Use of tax losses and tax benefits without record of deferred tax asset in previous years	45,145	752,711
Temporary differences for the period without record of deferred tax assets	(98,815)	(530,944)
Record of deferred tax liabilities	-	(350,070)
Income taxation recorded in the period (note 21)	(422,475)	(799,018)

The tax rate used to reconcile the tax expense and the accounting profit was 23% (25% em 2013) because it is the standard rate of the corporate income tax in Portugal in 2014, country where almost the entire income of Sonaecom Group are taxed.

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 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 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. 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), 2010 (Report of the Tax Inspection and the tax settlement notice received in January and May 2013, respectively) and 2011 (Report of Tax inspection and tax settlement notice received in January 2014). 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. Optimus contested decisions for the years 2008, 2009 and 2010 and will contest, in due course, a decision for the year 2011. In relation to fiscal year 2008, the Administrative and Tax Court of Oporto already ruled unfavorably, in March 2014, and the company brought Optimus contested decisions for the years 2008, 2009 and 2010 and impugnará in due course a decision for the year 2011. Relation to fiscal year 2008, the Administrative and Tax Court of Oporto already ruled unfavorably, in March 2014, and the company brought against the action. At 31 March 2014 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 c).

Supported by the Company's lawyers and Tax consultants, the Board of Directors believes that there are no liabilities not provisioned in the consolidated financial statements, associated to probable tax contingencies that should have been registered or disclosed in the accompanying financial statements, at 31 March 2014.

12. Cash and cash equivalents

At 31 March 2014 and 2013, the detail of cash and cash equivalents was as follows:

	2014	2013 (restated - note 1)
Cash	25,802	262,733
Bank deposits repayable on demand	9,869,025	5,072,091
Treasury applications	174,559,222	26,469,991
Cash and cash equivalents	184,454,049	31,804,815
Bank overdrafts (note 15)	(73,288)	(5,181,345)
	184,380,761	26,623,470

At 31 March 2014 and 2013, the 'Treasury applications' had the following breakdown:

	2014	2013
Sonae Investments BV	-	11,810,000
Bank applications	174,559,222	14,659,991
	174,559,222	26,469,991

During the period ended at 31 March 2014, the above mentioned treasury applications bear interests at an average rate of 0.65% (2.13% in 2013).

13. Share capital

At 31 March 2014 and 2013, the share capital of Sonaecom was comprised by 311,340,037 and 366,246,868, respectively, ordinary registered shares of 0.74 and 1 Euro each, respectively. At those dates, the Shareholder structure was as follows:

	2014		2013	
	Number of shares	%	Number of shares	%
Sontel BV	194,063,119	62.33%	194,063,119	52.99%
Sonae SGPS	79,290,757	25.47%	3,430,000	0.94%
Shares traded on the Portuguese Stock Exchange ('Free Float')	32,415,147	10.41%	78,119,762	21.33%
Own shares (note 14)	5,571,014	1.79%	4,882,615	1.33%
Atlas Service Belgium**	-	-	73,249,374	20.00%
Millenium BCP ***	-	-	12,500,998	3.41%
Efanor Investimentos, S.G.P.S., S.A.*	-	-	1,000	0.00%
	311,340,037	100.00%	366,246,868	100.00%

* In the period ended at 31 March 2014, following the completion of Public Offer of own shares, Efanor has no longer a direct participation in the capital of Sonaecom

**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 correspond to a qualified participation.

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 offered obliged to acquire all the shares that were 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 2014 Sonaecom reduced its capital by Euro 136 million as a result of the extinction of the own shares acquired (54,906,831 shares) and reduction of the nominal value of the remaining shares of capital stock of the of Sonaecom Euro 1 to Euro 0.74 per share. Following this result, the Euronext announced the exclusion of Sonaecom PSI-20 from February 24, 2014.

As a return for the the own shares acquired in this General Public Offer and Voluntary process Sonaecom delivered 26,476,792 shares representing the share capital of Zon Optimus which were recorded in the balance sheet by Euro 141,650,837 (Note 9) and the amount of 19,632 euros in cash, so as a result of this General Public and Voluntary Offer, assets and equity Sonaecom decreased by Euro 141,670,470.

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

14. Own shares

During the period ended 31 March 2014, Sonaecom did not acquire, sold or delivered own actions, in addition the own shares purchased under the General Public Offer and Voluntary process described in Note 13, whereby the amount held to date, is of 5,571,014 own shares representing 1.79% of its share capital, at an average price of Euro 1,380.

15. Loans

At 31 March 2014 and 2013, the caption Loans had the following breakdown:

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

						Amount outstanding
Company	Issue denomination	Limit	Maturity	Type of reimbursement	2014	2013 (restated - note 1)
Sonaecom	'Obrigações Sonaecom SGPS 2011'	100,000,000	Mar-15	Final	-	100,000,000
SGPS	'Obrigações Sonaecom SGPS 2010'	40,000,000	Mar-15	Final	-	40,000,000
	'Obrigações Sonaecom SGPS 2012'	20,000,000	Jul-15	Parcel	-	20,000,000
	Costs associated with financing set-up	-	-	-	-	(1,428,055)
	Interests incurred but not yet due	-	-	-	-	252,063
					-	158,824,008
Sonaecom	Commercial paper	30,000,000	Jul-15	-	-	30,000,000
SGPS	Costs associated with financing set-up	-	-	-	-	(70,346)
	Interests incurred but not yet due	-	-	-	-	241,474
					-	30,171,128
WeDo USA	Bank loan	-	Apr-19	Parcel	4,450,520	5,857,050
Saphety	Minority Shareholder loans	-	-	-	451,322	451,322
	Costs associated with financing set-up	-	-	-	(110,166)	(162,676)
	Interests incurred but not yet due	-	-	-	73,970	76,608
					4,865,646	6,222,304
					4,865,646	195,217,440

b) Short-term loans and other loans

Company	Issue denomination	Limit	Maturity	Type of reimbursement	2014	Amount outstanding 2013 (restated - note 1)
Sonaecom SGPS	'Obrigações Sonaecom SGPS 2005'	150,000,000	Jun-13	Final	-	150,000,000
	'Obrigações Sonaecom SGPS 2013'	20,000,000	Jun-14	Final	20,000,000	-
	Costs associated with financing set-up	-	-	-	(88,934)	(126,563)
	Interest incurred but not yet due	-	-	-	303,468	502,055
					20,214,534	150,375,492
Sonaecom SGPS	Commercial paper	25,000,000	Jul-13	-	-	7,000,000
	Costs associated with financing set-up	-	-	-	-	(5,200)
	Interests incurred but not yet due	-	-	-	-	5,768
					-	7,000,568
Sonaecom SGPS	Overdraft facilities	16,500,000	Jul-13	-	-	8,575,000
Sonaecom SGPS	Authorized Bank overdrafts (note 12)	2,500,000	Oct-13	-	-	2,485,000
WeDo USA	Bank loan	-	Apr/Oct-14	-	989,004	-
Several	Bank overdrafts (note 12)	-	-	-	73,288	2,696,345
					1,062,292	13,756,345
					21,276,826	171,132,405

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 March 2010, Sonaecom signed other Bond Loan, privately placed, in the amount of Euro 40 million, without guarantees and maturity of 5 years. The loan bear interest at floating rate indexed to Euribor, and paid semiannually. The issues was organised and mounted by Caixa - Banco de Investimento. These bond issues was traded on Euronext Lisbon market. At 4. During the year ended at 31 December 2013, following the merger, the Boan Loan of Euro 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. This loan will be repaid early in June 2014.

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

The average interest rate of the bond loans, in the period 2014, was 4.83% (2.39% in 2013).



Commercial Paper

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 March 2014, this credit line was transferred to Sonae SGPS.

In July 2012, Sonaecom contracted a Commercial Paper Programme Issuance with a maximum amount of Euro 30 million with subscription grant and maturity of three 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 papers, in the period of 2013, was 3.84%.

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 Espírito Santo Bank. Repayment of this loan is due in 11 equal semiannual payments, with the first to be made in April 2014.

On 31 March 2014, 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 March 2014 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 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.

At 31 March 2014 and 2013, 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
2014						
Bond loan:						
Reimbursements	-	-	-	-	-	-
Interests	-	-	-	-	-	-
Commercial paper:						
Reimbursements	-	-	-	-	-	-
Interests	-	-	-	-	-	-
Other loans:						
Reimbursements	-	989,005	989,005	989,005	989,005	494,500
Interests	125,721	99,936	73,649	47,541	21,577	1,007
	125,721	1,088,941	1,062,654	1,036,546	1,010,582	495,507
2013						
Bond loan:						
Reimbursements	-	150,000,000	10,000,000	-	-	-
Interests	5,595,859	5,292,192	167,988	-	-	-
Commercial paper:						
Reimbursements	-	-	30,000,000	-	-	-
Interests	1,187,520	1,187,520	396,925	-	-	-
Other loans:						
Reimbursements	-	1,064,918	1,064,918	1,064,918	1,064,918	1,064,918
Interests	165,518	144,518	114,878	84,660	54,649	24,803
	6,948,897	157,689,148	41,744,709	1,149,578	1,119,567	1,089,721

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 period ended at 31 March 2013.

Minority Shareholder loans have no maturity defined.

At 31 March 2014 and 2013, the available credit lines of the Group were as follows:

						Maturity
Company	Credit	Limit	Amount outstanding	Amount available	Until 12 months	More than 12 months
2014						
Sonaecom	Bond loan	20,000,000	20,000,000	-	x	
Sonaecom	Authorised overdrafts	1,000,000	-	1,000,000	x	
WeDo USA	Bank loan	5,439,524	5,439,524	-	x	x
Others	Several	-	73,288	-	x	
		26,439,524	25,512,812	1,000,000		
2013 (restated - note 1)						
Sonaecom	Commercial paper	30,000,000	30,000,000	-		x
Sonaecom	Commercial paper	25,000,000	7,000,000	18,000,000	x	
Sonaecom	Commercial paper	15,000,000	-	15,000,000	x	
Sonaecom	Bond loan	150,000,000	150,000,000	-	x	
Sonaecom	Bond loan	100,000,000	100,000,000	-		x
Sonaecom	Bond loan	40,000,000	40,000,000	-		x
Sonaecom	Bond loan	20,000,000	20,000,000	-		x
Sonaecom	Overdraft facilities	16,500,000	8,575,000	7,925,000	x	
Sonaecom	Authorised overdrafts*	10,000,000	-	10,000,000	x	
Sonaecom	Authorised overdrafts	2,500,000	2,485,000	15,000	x	
WeDo USA	Bank loan	5,857,050	5,857,050	-		x
Others	Several	-	2,696,345	-	x	
		414,857,050	366,613,395	50,940,000		

* Can also be used in the form of commercial paper

At 31 March 2014 and 2013, there are no interest rate hedging instruments therefore the total gross debit is exposed to changes in market interest rates.

16. Other non-current financial liabilities

At 31 March 2014 and 2013, 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 387,176 and Euro 16,670,660, respectively. This variation is due to the derecognition of the financial liabilities of the telecommunications segment (note 3.c), in the year ended at 31 December 2013.

At 31 March 2014 and 2013, the payment of these amounts was due as follows:

	2014		2013 (restated - note 1)	
	Lease payments	Present value of lease payments	Lease payments	Present value of lease payments
2013	-	-	2,353,979	1,921,119
2014	152,371	134,876	3,483,353	2,608,908
2015	169,571	152,728	3,340,893	2,606,984
2016	154,380	144,529	2,577,587	1,978,107
2017 onwards	133,420	129,904	12,453,930	10,291,729
	609,742	562,037	24,209,742	19,406,847
Interests	(47,704)	-	(4,802,895)	-
	562,038	562,037	19,406,847	19,406,847
Short-term liability (note 18)	-	(174,861)	-	(2,736,187)
	562,038	387,176	19,406,847	16,670,660

17. Provisions and accumulated impairment losses

The movements in provisions and in accumulated impairment losses in the periods ended at 31 March 2014 and 2013 (restated – note 1) were as follows:

	Opening balance	Increases	Decreases	Utilisations and Transfers	Closing balance
2014					
Accumulated impairment losses on accounts receivables	3,999,525	-	(3,500)	-	3,996,025
Accumulated impairment losses on inventories	25,000	-	-	-	25,000
Provisions for other liabilities and charges	3,060,986	117,487	(5,914)	(256,494)	2,916,065
	7,085,511	117,487	(9,414)	(256,494)	6,937,090
2013 (restated - note 1)					
Accumulated impairment losses on accounts receivables	82,895,444	3,829,544	(15,361,547)	(5,412)	71,358,029
Accumulated impairment losses on inventories	4,377,789	-	(620,346)	(55,420)	3,702,023
Provisions for other liabilities and charges	43,673,340	846,695	(6,592)	(999,297)	43,514,146
	130,946,573	4,676,239	(15,988,485)	(1,060,129)	118,574,198

At 31 March 2014 the increase of 'Provisions for other liabilities and charges' includes the amount of Euro 95,190 recorded in the profit and loss statement, under the caption 'Income taxation' (note 21), the amount of Euro 1,896 related to dismantling, as foreseen in IAS 16 – Fixed Assets (note 1.c), and also the amount of Euro 20,401 recorded in the income statement in 'Gains and losses of associates and jointly controlled entities' on the registration of the provision resulting from the application of the equity method of SIRS (note 20). At 31 March 2013, the reinforcement of provisions and impairment losses in the amount of Euro 4,676,239, include the amount of Euro 4,122,561 on the reinforcement of provisions and impairment losses of discontinued operations and the amount of Euro 553,678 concerning continuing units. The increase of 'Provisions for other liabilities and charges' includes an amount of EUR 384,248 on the

reinforcement of provisions and impairment losses of discontinued operations (Euro 33,580 are recorded in the income statement in 'Income Tax' (note 25) and Euro 166,153 related to the dismantling of sites as foreseen in IAS 16 - 'tangible assets' (note 1.c), the amount of Euro 250,116 recorded in the income statement under the caption 'income Tax' (note 21), the amount of Euro 6,725 recorded in the income statement under the caption 'Other financial expenses' relating to the restatement of the provision for dismantling as foreseen in IAS 16 - 'tangible assets' (note 1.c), and also the amount of Euro 15,762 recorded in the income statement under the caption 'Gains and losses of associates and jointly controlled entities' on the registration of the provision resulting from the application of the equity method of SIRS (note 20).

At 31 March 2014, the decrease of 'Provisions for other liabilities and charges' includes the amount of Euro 5,914 recorded in the income statement under the caption 'Income Tax' (note 21).

At 31 March 2013, the decrease in provisions and impairment losses in the amount of Euro 15,988,485, include the amount of Euro 15,982,134 for the discontinued operations and the amount of Euro 6,359 concerning continuing units.

The heading 'Utilisations' refers, essentially, to the utilisation of provisions for indemnity.

At 31 March 2014 and 2013, the breakdown of the provisions for other liabilities and charges is as follows:

	2014	2013 (restated - note 1)
Legal processes in progress	1,750,043	4,732,928
Several contingencies	243,969	14,174,691
Dismantling	179,646	3,308,069
Indemnities	-	623,405
Other responsibilities	742,407	20,675,053
	2,916,065	43,514,146

At 31 March 2014, 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, Contingent Liabilities and Contingent Assets'). The deviation includes the effect of the derecognition of the provisions associated to discontinued operations (note 3.c).

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 18.5 million in 2013). The variation is due to the derecognition of provisions related to Optimus Comunicações S.A, Be Artis and Be Towering (note 3.c).

18. Other current financial liabilities

At 31 March 2014, this caption includes the amount of Euro 174,861 (2013: Euro 2,736,187) related to the short term portion of lease contracts (note 16).

19. External supplies and services

'External supplies and services' for the period ended at 31 March 2014 and 2013 had the following composition:

	2014	2013 (restated - note 1)
Subcontracts	5,921,950	5,693,262
Rents	1,352,367	1,455,338
Specialised works	1,228,603	927,410
Travelling costs	1,049,478	922,188
Advertising and promotion	586,446	610,714
Communications	372,290	109,982
Energy	344,618	62,268
Fees	303,539	316,401
Maintenance and repairs	136,687	56,707
Commissions	64,323	500,077
Others	435,859	249,277
	11,796,160	10,903,624

The commitments assumed by the Group at 31 March 2014 and 2013 related to operational leases are as follows:

	2014	2013 (restated - note 1)
Minimum payments of operational leases:		
2013	-	2,643,591
2014	2,529,037	2,127,651
2015	2,563,853	1,469,047
2016	2,148,994	988,315
2017	1,633,305	524,426
2018	1,057,411	456,933
2019 onwards	181,117	177,275
Renewable by periods of one year	1,360,422	851,085
	11,474,139	9,238,323

During the period ended at 31 March 2014, an amount of Euro 968,874 was recorded in the heading 'External supplies and services' related with operational leasing rents, recorded essentially in 'Rents'.

20. Financial results

Net financial results for the periods ended at 31 March 2014 and 2013 were made up as follows ((costs) / gains):

	2014	2013 (restated - note 1)
Financial results of associates and jointly controlled companies:		
Gains and losses related with the application of the equity method (note 8)	5,044,290	175,247
	5,044,290	175,247
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)	2,031,262	-
	2,031,262	-
Financial expenses:		
Interest expenses:	(305,135)	(3,097,171)
Bank loans	(224,480)	(3,013,515)
Leasing	(5,955)	(1,433)
Other interests	(74,700)	(82,223)
Foreign exchange losses	(89,549)	(362,917)
Other financial expenses	(314,466)	(134,563)
	(709,150)	(3,594,651)
Financial income:		
Interest income	665,834	25,431
Foreign exchange gains	69,219	613,783
Others financial gains	157,789	3,404
	892,842	642,618

During the periods ended at 31 March 2014 and 2013, the caption 'Financial income: Interest income' includes, mainly, interests earned on treasury applications.

21. Income taxation

Income taxes recognised during the periods ended at 31 March 2014 and 2013 were made up as follows ((costs) / gains):


	2014	2013 (restated - note 1)
Current tax	(91,508)	(218,527)
Tax provision net of reduction (note 17)	(89,276)	(250,116)
Deferred tax assets (note 11)	(283,179)	112,913
Deferred tax liabilities (note 11)	41,488	(443,288)
	(422,475)	(799,018)

22. Related parties

During the periods ended at 31 March 2014 and 2013, 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 periods ended at 31 March 2014 and 2013 were as follows:

	Balances at 31 March 2014			
	Accounts receivable	Accounts payable	Treasury applications (note 12)	Other assets / (liabilities)
Holding company				
Sonae SGPS	1,348	-	-	(6,755)
Other related companies				
Artis	1,246,651	16,871	-	(276,392)
Modelo Continente Hipermercados, S.A.	340,825	31,403	-	(298,455)
Optimus	955,647	393,981	-	(150,564)
Raso Viagens	20,267	345,784	-	(4,694)
SC-Sociedade de Consultadoria	549,344	1,242	-	(178,023)
Sierra Portugal	563,601	(724)	-	180,778
Sonae Indústria PCDM	191,818	-	-	-
Sonaecenter II	1,428,437	(3,890)	-	(650,917)
Worten	39,431	(2,256)	-	-
Zon Optimus	115,371	-	-	-
	5,452,740	782,411	-	(1,385,022)
	Balances at 31 March 2013			
	Accounts receivable	Accounts payable	Treasury applications (note 12)	Other assets / (liabilities)
Holding company				
Sonae SGPS	23,172	16,266	-	(4,794)
Other related companies				
Modelo Continente Hipermercados, S.A.	726,711	20,688	-	72,389
Raso Viagens	59,646	446,683	-	39,737
SC-Sociedade de Consultadoria	174,670	111	-	(143,050)
Sierra Portugal	920,931	24,012	-	148,034
Sonae Indústria PCDM	560,087	-	-	28,187
Sonae Investments BV	-	-	11,810,000	1,402
Sonaecenter II	672,720	299,407	-	(112,061)
Worten	1,412,045	160,724	-	(612,595)
France Telecom	53,951	3,075,306	-	(2,812,299)
	4,603,933	4,043,197	11,810,000	(3,395,050)



	Transactions at 31 March 2014			
	Sales and services rendered	Supplies and services received (note 19)	Interest and similar income / (expense) (note 20)	Supplementary income
Holding company				
Sonae SGPS	1,805	(771)	453,180	-
Subsidiaries				
Unipress	41,263	148,553	-	-
Other related companies				
Be Artis	2,532,917	29,108	-	(41)
MDS	71,705	1,652	-	-
Modelo Continente Hipermercados, S.A.	194,511	6,156	-	19,418
Optimus	476,541	628,414	-	24,972
Raso Viagens	16,119	395,964	-	0
SC-Sociedade de Consultadoria	554,547	-	-	0
Sierra Portugal	1,339,328	3,738	-	-
Sonae Indústria PCDM	270,393	-	-	-
Sonaecenter II	2,113,317	42,311	-	-
Zon Optimus	170	(7,936)	1,329	-
	7,612,616	1,247,189	454,509	44,349

	Transactions at 31 March 2013 (restated)			
	Sales and services rendered	Supplies and services received (note 19)	Interest and similar income / (expense) (note 20)	Supplementary income
Holding company				
Sonae SGPS	6,169	-	-	-
Subsidiaries				
Infosystems	37,069	89,595	-	-
Unipress	-	201,617	-	62,944
Other related companies				
Modelo Continente Hipermercados, S.A.	809,534	362,866	-	40,659
Worten	517,623	81,233	-	7
Raso Viagens	80,563	685,674	-	-
SC-Sociedade de Consultadoria	358,945	-	-	-
Sierra Portugal	1,618,800	282,015	-	4
Sonae Indústria PCDM	424,294	-	-	-
Sonae Investments BV	-	-	3,809	-
France Telecom	3,464,897	4,917,083	-	-
Sonaecenter II	1,301,518	286,944	-	-
	8,619,412	6,907,027	3,809	103,614

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 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 periods ended at 31 March 2014 and 2013, 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.

23. Guarantees provided to third parties

Guarantees provided to third parties at 31 March 2014 and 2013 were as follows:

Company	Beneficiary	Description	2014	2013
WeDo	Espírito Santo Bank	Bank loan (note 15)	5,535,611	5,960,562
Sonaecom	Direção de Contribuições e Impostos (Portuguese tax authorities)	VAT Reimbursements	1,435,379	5,955,731
We Do, WeDo Brazil and WeDo Egypt	Digi Telecomunications; Emirates Telecom. Corp.; Group Etisalat; Scotia Leasing Panama; Pak Telecom Mobile; Asiacell Communications	Completion of work to be done	902,842	1,237,557
We Do and Saphety	IAPMEI	HERMES' project and 'Value4cuopons' project - QREN	392,707	291,797
Optimus, Sontária, Sonaecom and Público	Direção de Contribuições e Impostos (Portuguese tax authorities)	IRC, IS, IVA, RF - Tax assessment	240,622	9,015,764
Optimus	ICP - ANACOM	Acquisition of Spectrum for 4th generation	-	24,000,000
Optimus	Câmara Municipal de Barcelos, Chaves, Coimbra, Elvas, Lisboa, Mealhada and Oeiras (Barcelos, Chaves, Coimbra, Elvas, Lisboa, Mealhada and Oeiras Municipalities)	Completion of work to be done	-	87,476
Several	Others		322,811	1,240,509
			8,829,972	47,789,396

The deviation verified on guarantees is referred to the the guarantees provided to third parties of telecommunications sector that are not part of the balance at 31 March 2014.

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 March 2014, the Board of Directors of the Group believes that the decision of the court proceedings and ongoing tax assessments in progress will not have significant impacts on the consolidated financial statements.

24. Information by business segment

Following the classification of the Telecommunications segment as an discontinued operation (note 3.c), were identified for the periods ended at 31 March 2014 and 2013 the following business segments:

- Multimedia;
- Information systems;
- Holding activities.

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

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

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



Inter-segment transactions during the periods ended at 31 March 2014 and 2013 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.c). As set forth by IFRS 5, changes were made in the consolidated profit and loss statements for the period ended at 31 March 2014, in order to disclose a single amount in profit and loss statements related to net income/(loss) of discontinued operations (note 25).

Overall information by business segment at 31 March 2014 and 2013, prepared in accordance with the same accounting policies and measurement criteria adopted in the preparation of the consolidated financial statements, can be summarised as follows:



	Telecommunications		Multimedia		Information Systems		Holding Activities		Subtotal		Eliminations and others		Total	
	March 2014	March 2013 (restated - note 1)	March 2014	March 2013 (restated - note 1)	March 2014	March 2013 (restated - note 1)	March 2014	March 2013 (restated - note 1)	March 2014	March 2013 (restated - note 1)	March 2014	March 2013 (restated - note 1)	March 2014	March 2013 (restated - note 1)
Revenues:														
Sales and services rendered	-	-	3,720,742	4,410,771	27,255,711	26,508,905	105,658	876,497	31,082,111	31,796,173	41,297	(3,891,801)	31,123,408	27,904,372
Reversal of provisions	-	-	3,500	-	-	11,057	-	706	3,500	11,763	-	-	3,500	11,763
Other operating revenues	-	-	71,678	40,862	209,506	240,883	54,330	26,034	335,514	307,779	(1,732)	18,753	333,782	326,532
Total revenues	-	-	3,795,920	4,451,633	27,465,217	26,760,845	159,988	903,237	31,421,125	32,115,715	39,565	(3,873,048)	31,460,690	28,242,667
Depreciation and amortisation	-	-	(129,535)	(228,421)	(1,284,054)	(958,635)	(4,361)	(17,343)	(1,417,950)	(1,204,399)	(3,700)	(862,768)	(1,421,650)	(2,067,167)
Provisions and impairment losses	-	-	-	-	-	(180,610)	-	(100,465)	-	(281,075)	-	-	-	(281,075)
Net operating income / (loss) for the segment	-	-	(954,599)	(770,878)	1,835,178	2,492,633	(540,655)	(444,510)	339,924	1,277,245	(12,083)	(3,055,133)	327,841	(1,777,888)
Interest income	-	-	1,978	6,638	69,718	39,576	984,720	6,250,386	1,056,416	6,296,600	(390,582)	(6,271,169)	665,834	25,431
Interest expenses	-	-	(113,435)	(97,845)	(340,288)	(252,541)	(237,188)	(3,071,753)	(690,911)	(3,422,139)	385,776	324,969	(305,135)	(3,097,170)
Gains and losses on financial assets at fair value through profit or loss	-	-	-	-	-	-	2,031,262	-	2,031,262	-	-	-	2,031,262	-
Gains and losses in associated companies	-	-	89,895	-	-	-	-	-	89,895	-	4,954,395	175,247	5,044,290	175,247
Other financial results	-	-	(1,284)	(1,073)	(96,638)	222,705	(698,578)	22,777,926	(796,500)	22,999,558	619,493	(22,879,852)	(177,007)	119,706
Income taxation	-	-	226,477	233,851	(649,067)	(834,874)	463	(187,655)	(422,128)	(788,678)	(348)	(10,340)	(422,475)	(799,018)
Consolidated net income/(loss) for the period excluding discontinued operations	-	-	(750,968)	(629,307)	818,903	1,667,499	1,540,024	25,324,394	1,607,959	26,368,352	5,556,651	(31,722,044)	7,164,610	(5,353,692)
Consolidated net income/(loss) for the period of discontinued operations	-	23,788,151	-	-	-	-	-	-	-	23,788,151	-	-	-	23,788,151
Attributable to:														
Shareholders of parent company	-	23,788,151	(750,968)	(629,307)	839,677	1,670,382	1,540,024	25,324,394	1,628,733	26,365,469	5,555,119	(7,938,600)	7,183,852	18,426,869
Non-controlling interests	-	-	-	-	(20,774)	2,883	-	-	(20,774)	2,883	1,532	4,707	(19,242)	7,590
Assets:														
Tangible and intangible assets and goodwill	-	1,503,412,660	2,128,938	3,808,601	78,225,380	77,334,433	55,441	288,471	80,409,759	1,584,844,165	(29,596,161)	(117,972,122)	50,813,598	1,466,872,043
Inventories	-	14,713,618	347,197	513,069	34,119	209,289	-	-	381,316	15,435,976	-	40,777	381,316	15,395,199
Financial investments	-	-	1,014,562	212,954	2,494	2,494	649,950,350	1,058,816,760	650,967,406	1,059,032,208	62,066,245	(1,057,668,596)	713,033,651	1,363,612
Other non-current assets	-	94,402,692	3,570	3,570	5,363,351	7,693,309	174,738,642	514,791,506	180,105,563	616,891,077	(175,024,841)	(516,834,412)	5,080,722	100,056,665
Other current assets of the segment	-	217,385,423	6,495,426	8,261,576	54,150,202	51,277,701	259,133,707	154,831,320	319,779,335	431,756,020	(11,250,989)	(155,578,259)	308,528,346	276,177,761
Liabilities:														
Liabilities of the segment	-	791,375,279	14,679,674	16,955,248	71,127,709	73,024,493	25,117,288	367,961,926	110,924,671	1,249,316,946	(30,590,712)	(490,637,185)	80,333,959	758,679,761
CAPEX	-	23,351,619	121,481	94,609	1,451,498	1,416,619	4,079,124	15,260,284	5,652,103	40,123,131	(1,486,051)	(15,525,007)	4,166,052	24,598,124

During the periods ended at 31 March 2014 and 2013, the inter-segments sales and services were as follows:

	Multimedia	Information Systems	Holding Activities
2014			
Multimedia	-	45,482	34,346
Information Systems	147	-	71,312
Holding Activities	-	509	-
External trade debtors	3,720,595	27,209,720	-
	3,720,742	27,255,711	105,658
2013 (restated - note 1)			
Telecommunications	-	2,580,789	779,235
Multimedia	-	10,221	35,203
Information Systems	-	-	71,976
Holding Activities	900	3,419	-
External trade debtors	4,409,871	23,914,476	(9,917)
	4,410,771	26,508,905	876,497

During the periods ended 31 March 2014 and 2013, 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 period ended 31 March 2014, also for the Information Systems segment the Portuguese market is dominant, accounting for 76.4% of revenue (48.3% in 2013) followed by the Brazilian and American markets, representing 6.6% and 8.2% of revenue (5.4% and 7.6% in 2013), respectively.

The financial statements of Zon Optimus at 31 March 2014 and 31 December 2013 incorporated in the consolidated financial statements of Sonaecom through ZOPT by the equity method (Notes 3.c and 8), can be summarized as follows:

Condensed consolidated balance sheets

(Amounts expressed in thousands of Euro)	March 2014	December 2013 (restated)
Assets		
Tangible assets	1,077,736	1,096,823
Intangible assets	1,128,257	1,136,433
Deferred tax assets	143,608	149,431
Other non-current assets	58,699	61,143
Non-current assets	2,408,300	2,443,830
Trade debtors	288,034	276,630
Cash and cash equivalents	22,898	74,380
Other current assets	108,475	103,830
Current assets	419,407	454,840
Total assets	2,827,707	2,898,670
Liabilities		
Medium and long-term loans – net of short-term portion	731,752	928,239
Provisions for other liabilities and charges	94,793	101,770
Other non-current liabilities	46,070	46,222
Non-current liabilities	872,615	1,076,231
Short-term loans and other loans	339,565	213,431
Trade creditors	283,743	296,823
Other current liabilities	256,216	251,973
Current liabilities	879,524	762,227
Total liabilities	1,752,140	1,838,457
Shareholders' funds excluding non-controlling interests	1,065,632	1,050,598
Non-controlling interests	9,935	9,615
Total Shareholders' funds	1,075,567	1,060,213
Total Shareholders' funds and liabilities	2,827,707	2,898,670

Condensed consolidated statements of income by nature

(Amounts expressed in thousands of Euro)	March 2014	December 2013 (restated)
Total revenue	337,344	990,259
Costs and losses		
Direct costs and External supplies and services	(143,780)	(413,817)
Depreciation and amortisation	(83,871)	(243,070)
Other operating costs	(66,518)	(254,869)
	(294,169)	(911,756)
Financial results	(10,283)	(50,811)
Income taxation	(7,327)	(16,433)
Consolidated net income/(loss) for the period	25,565	11,259
Consolidated net income/(loss) for the period attributed to non-controlling interests	301	449
Attributed to shareholders of parent company	25,263	10,810

25. Discontinued operations

The net income (loss) for the period of discontinued operations are detailed as follows:

	27 August 2013	31 March 2013
Sales	18,822,654	5,204,020
Services rendered	440,084,032	160,730,339
Other operating revenues	6,045,835	2,005,449
	464,952,521	167,939,808
Cost of sales	(21,479,154)	(7,089,427)
External supplies and services	(229,074,114)	(80,221,966)
Staff expenses	(30,726,186)	(11,473,944)
Depreciation and amortisation	(93,347,815)	(33,934,352)
Provisions and impairment losses	(8,852,793)	(3,922,828)
Other operating costs	(9,723,657)	(3,979,770)
	(393,203,719)	(140,622,287)
Other financial expenses	(2,092,284)	(1,133,710)
Other financial income	2,697,674	862,509
Current income / (loss)	72,354,192	27,046,320
Income taxation	2,839,693	(3,258,169)
	75,193,885	23,788,151
Gain/(Loss) resulting from the disposal (note 3.c)	(8,949,665)	-
Net income/(loss) for the period of discontinued operations	66,244,220	23,788,151

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.c) in the amount of Euro 75,193,885 and loss calculated with the operation in the amount of Euro 8,949,665.

26. Earnings per share

Earnings per share, basic and diluted, are calculated by dividing the consolidated net income attributable to the Group (Euro 7,183,852 in 2014 and Euro 18,426,869 in 2013) by the average number of shares outstanding during the periods ended at 31 March 2014 and 2013, net of own shares (342,373,577 in 2014 and 361,738,638 in 2013).

27. Medium Term Incentive Plans

In June 2000, Sonaecom Group created a discretionary Medium Term Incentive Plan, for more senior employees, based on Sonaecom options and shares and Sonae-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 period			31 December 2013	
	Share price at award date*	Award date	Vesting date	Aggregate number of participations	Number of shares
Sonaecom shares					
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					
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.

At 10 March 2014, Sonaecom shares plans were fully converted into Sonae SGPS shares. This conversion was based on the terms set out in Tender offer for the general and voluntary acquisition of own shares at 20 February 2014, referred to in Note 13 to determine the fair value of Sonaecom plans, and based on the price of shares Sonae SGPS.

The conversion of the plans was based Sonaecom / Sonae SGPS implied ratio arising from the tender offer (1 Sonaecom Share – approximately 2.05 Sonae SGPS shares).

After conversion, at 10 March 2014, the converted plans can be detailed as follows:

	Vesting period			10 March 2014	
	Share price at 20.02.2014*	Award date	Vesting date	Aggregate number of participations	Number of shares
Sonae SGPS shares (Arising from the conversion of Sonaecom plans)					
2010 Plan	1.258	10-Mar-11	10-Mar-14	46	1,003,507
2011 Plan	1.258	09-Mar-12	10-Mar-15	48	1,132,008
2012 Plan	1.258	08-Mar-13	10-Mar-16	50	863,405

*Share price of the day of publication of the results of the Tender Offer

The 2010 plan was delivered in March 2014 for all companies except for Sonaecom SGPS, SA, whose delivery will be only in the second quarter of 2014. Accordingly, the outstanding plans at 31 March 2014 are as follows :

	Vesting period			31 March 2014	
	Share price/ Award date	Award date	Vesting date	Aggregate number of participations	Number of shares
Sonae SGPS shares (Arising from the conversion of Sonaecom plans)					
2010 Plan	1.258	10-Mar-11	10-Mar-14	2	422,647
2011 Plan	1.258	09-Mar-12	10-Mar-15	48	1,132,008
2012 Plan	1.258	08-Mar-13	10-Mar-16	50	863,405
Sonae SGPS shares					
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

During the periods ended at 31 March 2014, the movements that occurred in the plans, can be summarised as follows:

	Sonaecom shares		Sonae SGPS shares	
	Aggregate number of participations	Number of shares	Aggregate number of participations	Number of shares
Outstanding at 31 December 2013:				
Unvested	135	1,425,486	6	798,591
Total	135	1,425,486	6	798,591
Movements in the period:				
Converted	(135)	(1,425,486)	135	2,923,738
Vested	-	-	(44)	(580,860)
Cancelled / elapsed / corrected / transfers ⁽¹⁾	-	-	9	75,182
Outstanding at 31 March 2014:				
Unvested	-	-	106	3,216,651
Total	-	-	106	3,216,651

(1) Corrections are made for dividends paid and changes to capital and other adjustments including those resulting from changes in the maturity of the MTIP, which may now be made through shares at a discount.

The responsibility of the plans was recognized under the caption 'Other current liabilities' and 'Other non-current liabilities'. Sonae SGPS shares plans (excluding the Sonaecom shares plans converted into Sonae SGPS shares plans), the group entered into hedging contracts with external entities, and the liabilities are calculated based on the agreed price. The contracts mentioned the above can be summarized as follows:

	Sonae SGPS shares		Sonaecom shares	Total
	2011 Plan	2012 Plan	2011 Plan	
Notional value	323,727	268,451	492,439	1,084,616
Maturity	Mar-15	Mar-16	Dec-16	
Level of inputs in the hierarchy of fair value	Level 2			
Valuation method	Current replacement cost			
Fair value*	737,992	242,570	455,229	1,435,791

* Used the share price of 31 March 2014 in the determination of the fair value.

Share plans costs are recognised in the accounts over the year between the award and the vesting date of those shares. The costs recognised in previous years and in the period ended at 31 March 2014, were as follows:

	Sonaecom shares	Sonae SGPS shares	Zon Optimus SGPS shares	Total
Costs recognised in previous years	29,602,457	4,310,802	279,519	34,192,778
Costs recognised in the period	167,711	31,118	23,627	222,456
Impact of conversion	(1,251,767)	2,417,736	-	1,165,969
Costs of plans vested in previous years	(28,518,401)	(4,047,509)	-	(32,565,910)
Costs of plans vested in the period	-	(813,440)	-	(813,440)
Total cost of the plans	-	1,898,707	303,146	2,201,853
Responsibility of plans	(455,229)	2,879,269	303,146	2,727,186
Fair value of hedging contracts	455,229	(980,562)	-	(525,333)
Recorded in 'Cash and cash equivalents' (1)	-	-	(43,048)	(43,048)
Recorded in 'Other current liabilities'	-	1,459,457	163,420	1,622,877
Recorded in 'Other non-current liabilities'	-	439,250	182,774	622,024
Recorded in reserves	-	-	-	-

(1) Sonaecom partially anticipated maturity of the hedge contract with Sonae SGPS, which caused a refund for the current market value of the shares Sonaecom.



At 10 March 2014, Sonaecom shares plans were fully converted into Sonae SGPS shares. This conversion was based on the terms of trade set out in the Tender Offer, at 20 February 2014, referred to in Note 13 to determine the fair value of the plans and, based on the share prices Sonae SGPS. Thus, the number of Sonae SGPS shares to be delivered to the company employees was determined. As set forth by IFRS 2, the responsibility of each plan over the period between the award date and the conversion date, amounted to Euro 2,349,162 was recognised under the caption 'Other current liabilities' and 'Other non-current liabilities' with a corresponding entry in the equity.

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'.

These consolidated financial statements were approved by the Board of Directors on 12 May 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

Ângelo Gabriel Ribeirinho dos Santos Paupério António Bernardo Aranha da Gama Lobo Xavier	Maria Cláudia Teixeira de Azevedo
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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
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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 Laminat Park GmbH Co. KG Aglom Investimentos, Sgps, S.A. Aglom-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 Arrábidasshopping- 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 Telecom,SA Beeskow Holzwerkstoffe Beralands BV Bertimóvel - Sociedade Imobiliária, S.A. BIG Picture 2 Films	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,Urbán.,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.Combustíveis,SA Contimobe-Imobil.Castelo Paiva,SA Continente Hipermercados, S.A. Country Club da Maia-Imobiliária,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.
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<p> Dos Mares-Shopping Centre, S.A. Dreamia, B.V 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 Químicas,SA Farmácia Selecção, SA 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 Imosona 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 GuimarãesShopping- 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. </p>	<p> Imoarea - Invest. Turísticos, SGPS, SA IMOBEAUTY, S.A. Imobiliária da Cacela, S.A. Imoclub-Serviços Imobiliários,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 Serviços,SA Imosistema-Sociedade Imobiliária,SA Impaper Europe GmbH Implantação - Imobiliária, S.A. Infofield-Informática,SA Inparsi - 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 </p>
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Lusomundo Soc. Inv. Imob. SA	Pareuro, BV
Luz del Tajo - Centro Comercial S.A.	Park Avenue Develop. of Shop. Centers SA
Luz del Tajo B.V.	Parklake Shopping Srl
Madeirashopping- Centro Comercial, S.A.	Parque Atlântico Shopping - C.C., SA
Maiashopping- Centro Comercial, S.A.	Parque D. Pedro 1 B.V.
Maiequipa-Gestão Florestal, SA	Parque de Famalicão - Empr. Imob., S.A.
Marcas do Mundo-Viag. e Turismo Unip,Lda	Parque Principado SL
Marcas MC, ZRT	Pátio Boavista Shopping Ltda.
Marina de Tróia S.A.	Pátio Campinas Shopping Ltda
Marinamagic-Expl.Cent.Lúdicos Marít,Lda	Pátio Goiânia Shopping Ltda
Marmagno-Expl.Hoteleira Imob.,SA	Pátio Londrina Empreend.e Particip.Ltda
Martimope-Empreendimentos Turísticos, SA	Pátio Penha Shopping Ltda.
Marvero-Expl.Hoteleira Imob.,SA	Pátio São Bernardo Shopping Ltda
MDS Affinity-Sociedade de Mediação Lda	Pátio Sertório Shopping Ltda
MDS Africa SGPS, S.A.	Pátio Uberlândia Shopping Ltda
MDS Auto - Mediação de Seguros, SA	Peixes do Continente-Ind.Dist.Peixes,SA
MDS Corretor de Seguros, SA	Per-Mar-Sociedade de Construções,SA
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	Plaza Eboli - Centro Comercial S.A.
MJLF-Empreendimentos Imobiliários, SA	Plaza Mayor Holding, SGPS, S.A.
Modalfa-Comércio e Serviços,SA	Plaza Mayor Parque de Ócio B.V.
MODALLOOP - Vestuário e Calçado, SA	Plaza Mayor Parque de Ocio,SA
Modelo - Dist.de Mat. de Construção,S.A.	Plaza Mayor Shopping B.V.
Modelo Continente Hipermercados,SA	Plaza Mayor Shopping, SA
Modelo Continente International Trade,SA	Poliface North America
Modelo Hiper Imobiliária,SA	Porturbe-Edifícios 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 BV	Prédios Privados Imobiliária,SA
Norte Shop. Retail and Leisure Centre BV	Predisedas-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 Deutschland GmbH	Project Sierra 11 BV
Pantheon Plaza BV	Project Sierra 12 BV
Paracentro - Gest.de Galerias Com., S.A.	Project Sierra 2 B.V.



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 Investimentos Brasil Ltda
Project Sierra Spain 3-Centro Comer. SA	Sierra Investments (Holland) 1 B.V.
Project Sierra Two Srl	Sierra Investments (Holland) 1 B.V.
Promessa Sociedade Imobiliária, S.A.	Sierra Investments (Holland) 2 B.V.
Quorum Corretores de Seguros Ltda	Sierra Investments (Holland) 2 B.V.
Racionaliz. y Manufact.Florestales,SA	Sierra Investments Holding B.V.
Raso - Viagens e Turismo, S.A.	Sierra Investments Holding B.V.
Raso, SGPS, SA	Sierra Investments SGPS, S.A.
River Plaza BV	Sierra Investments SGPS, S.A.
River Plaza Mall, Srl	Sierra Italy Holding B.V.
Rochester Real Estate,Limited	Sierra Italy Holding B.V.
RSI Corretora de Seguros, Ltda	Sierra Italy Srl
S.C. Microcom Doi Srl	Sierra Management Germany GmbH
Saúde Atlântica - Gestão Hospitalar, SA	Sierra Management Italy S.r.l.
SC Aegean B.V.	Sierra Management Romania, Srl
SC Assets SGPS, SA	Sierra Management Spain – Gestión C.Com.S.A.
SC Finance BV	Sierra Management, SGPS, S.A.
SC Mediterranean Cosmos B.V.	Sierra Management, SGPS, S.A.
SC, SGPS, SA	Sierra Portugal, S.A.
SC-Consultadoria,SA	Sierra Portugal, SA
SC-Eng. e promoção imobiliária,SGPS,S.A	Sierra Property Management Greece, SA
SCS Beheer,BV	Sierra Romania Sh. Centers Services Srl
SDSR - Sports Division 2, S.A.	Sierra Services Holland B.V.
SDSR - Sports Division SR, S.A.	Sierra Solingen Holding GmbH
Selifa-Empreendimentos Imobiliários,SA	Sierra Spain 2 Services, S.A.
Sempre à Mão - Sociedade Imobiliária,SA	Sierra Spain, Shop. Centers Services, SL
Sesagest-Proj.Gestão Imobiliária,SA	Sierra Zenata Project B.V.
Sete e Meio - Invest. Consultadoria, SA	SII – Soberana Invest. Imobiliários, S.A.
Sete e Meio Herdades-Inv. Agr. e Tur.,SA	SII - Soberana Invest. Imobiliários, SA
Shopping Centre Colombo Holding, BV	SIRS – Sociedade Independente de Radiodifusão Sonora, S.A.
Shopping Centre Parque Principado B.V.	SISTAVAC, S.A.
SIAL Participações, Lda	SISTAVAC, S.A.
Sierra Asia Limited	SISTAVAC, SGPS, S.A.
Sierra Berlin Holding BV	SISTAVAC-Sistemas HVAC -R do Brasil, Ltda
Sierra Brazil 1 B.V.	SKK – Central de Distr., S.A.
Sierra Central S.A.S.	SKK SRL
Sierra Developments Holding B.V.	SKK SRL



SKK-Central de Distr.,SA	Sonae Indústria - Management Services,SA
SKKFOR - Ser. For. e Desen. de Recursos	Sonae Indústria - SGPS, S.A.
SKKFOR - Ser. For. e Desen. de Recursos	Sonae Industria (UK),Ltd
Soc.Inic.Aproveit.Florest.-Energias,SA	Sonae Industria de Revestimentos, S.A.
Sociedade de Construções do Chile, S.A.	Sonae Industria de Revestimentos,SA
Sociedade Independente de Radiodifusão Sonora, S.A.	Sonae Indústria Manag. Serv, SA
Société de Tranchage Isoroy S.A.S.	Sonae Indústria-SGPS,SA
Société de Tranchage Isoroy SAS.	Sonae Investimentos, SGPS, SA
Socijofra - Sociedade Imobiliária, S.A.	Sonae Investimentos, SGPS, SA
Socijofra-Sociedade Imobiliária,SA	Sonae Investments,BV
Sociloures - Soc.Imobiliária, S.A.	Sonae MC - Modelo Continente, SGPS, SA
Sociloures-Soc.Imobiliária,SA	Sonae Novobord (PTY) Ltd
Soconstrução BV	Sonae Novobord (PTY) Ltd
Soconstrução BV	Sonae RE, S.A.
Sodesa, S.A.	Sonae RE, S.A.
Soflorin, BV	Sonae Retalho Espana-Servicios Gen.,SA
Soflorin,BV	Sonae SGPS, SA
Soira - Soc.Imobiliária de Ramalde, S.A.	Sonae Sierra Brasil SA
Soira-Soc.Imobiliária de Ramalde,SA	Sonae Sierra Brazil B.V.
Solinca - Eventos e Catering, SA	Sonae Sierra, SGPS, S.A.
Solinca - Health & Fitness, SA	Sonae Tafibra Benelux, BV
Solinca - Health and Fitness, SA	Sonae Turismo-SGPS,SA
Solinca - Investimentos Turísticos, S.A.	SONAECENTER SERVIÇOS, SA
Solinca-Investimentos Turísticos,SA	Sonaegest-Soc.Gest.Fundos Investimentos
Solinfitness - Club Malaga, S.L.	Sonaerp - Retail Properties, SA
Solinfitness - Club Malaga, S.L.	Sondis Imobiliária,SA
Solingen Shopping Center GmbH	Sontaria-Empreend.Imobiliários,SA
Solingen Shopping Center GmbH	Sontel BV
SOFSWIM-Gestão e Expl.Equip.Aquáticos,SA	Sontur BV
SOFSWIM-Gestão e Expl.Equip.Aquáticos,SA	Sonvecap BV
Soltroia - Imob.de Urb.Turismo de Tróia, S.A.	Sopair, S.A.
Soltroia-Imob.de Urb.Turismo de Tróia,SA	Sótaqua - Soc. de Empreendimentos Turist
Somit Imobiliária	Spanboard Products,Ltd
Somit Imobiliária,SA	SPF- Sierra Portugal
SONAE - Specialized Retail, SGPS, SA	Spinarq Moçambique, Lda
Sonae - Specialized Retail, SGPS, SA	Spinarq-Engenharia,Energia e Ambiente,SA
Sonae Capital Brasil, Lda	Spinveste - Promoção Imobiliária, SA
Sonae Capital Brasil, Lda	Spinveste-Gestão Imobiliária SGII,SA
Sonae Capital, SGPS, SA	Sport TV Portugal, SA
Sonae Capital,SGPS, S.A.	Sport Zone Canárias
Sonae Center II S.A.	Sport Zone España-Com.Art.de Deporte,SA
Sonae Center Serviços II, SA	Sport Zone Turquia
Sonae Center Serviços, S.A.	Spred, SGPS, SA
Sonae Ind., Prod. e Com.Deriv.Madeira, S.A.	Tableros Tradema,S.L.
Sonae Ind., Prod. e Com.Deriv.Madeira,SA	Tafiber,Tableros de Fibras Ibéricas,SL



Tafibra Suisse, SA	Urbisedas-Imobiliária das Sedas,SA
Tafisa Canadá Société en Commandite	Valecenter Srl
Tafisa Développement	VALOR N, S.A.
Tafisa France, SA	Via Catarina- Centro Comercial, S.A.
Tafisa Investissement	Viajens y Turismo de Geotur España, S.L.
Tafisa Participation	Vistas do Freixo-Emp.Tur.Imobiliários,SA
Tafisa UK,Ltd	Vuelta Omega, S.L.
Tafisa-Tableros de Fibras, SA	Weierstadt Shopping BV
Taiber, Tableros Aglomerados Ibéricos,SL	World Trade Center Porto, S.A.
Tecmasa Reciclados de Andalucía, 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.
TLANTIC B.V.	ZIPPY - Comércio e Distribuição, SA
Tlantic Portugal-Sist. de Informação, SA	Zippy 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	ZON Finance BV
Torre São Gabriel-Imobiliária,SA	ZON III-COMUNICAÇ ELETRÓN SA
Troia Market-Supermercados, S.A.	ZON II-SERVIÇOS TELEVISÃO,SA
Troia Natura, S.A.	Zon Lusomundo TV Lda
Troiareort-Investimentos Turísticos, SA	ZON OPTIMUS, SGPS, S.A.
Troiaverde-Expl.Hoteleira Imob.,SA	Zon TV Cabo Açoreana, SA
Tulipamar-Expl.Hoteleira Imob.,SA	Zon TV Cabo Madeirense, SA
Unipress – Centro Gráfico, Lda	Zon TV Cabo SGPS SA
Unishopping Administradora Ltda.	Zon TV Cabo, SA
Unishopping Consultoria Imob. Ltda.	Zubiarte Inversiones Inmob,SA
Upstar Comunicações SA	ZYEVLUTION-Invest.Desenv.,SA

5.3. Sonaecom individual financial statements

Balance sheets

For the periods ended at 31 March 2014 and 2013 and for the year ended at 31 December 2013

(Amounts expressed in Euro)	Notes	March 2014	March 2013	December 2013
Assets				
Non-current assets				
Tangible assets	1a, 1f and 2	48,746	279,863	52,710
Intangible assets	1b and 3	6,695	8,609	7,092
Investments in Group companies	1c and 5	67,433,159	1,073,204,642	66,580,286
Investments in joint ventures	1d and 6	597,666,944	25,000	597,666,944
Other non-current assets	1d, 1n, 4, 8 and 20	172,556,237	514,120,246	175,735,246
Total non-current assets		837,711,781	1,587,638,360	840,042,278
Current assets				
Financial assets at fair value through profit or loss	1e, 4 and 7	64,549,251	-	202,442,350
Other current debtors	1e, 1g, 4, 10 and 20	9,765,628	32,996,304	19,763,330
Other current assets	1e, 1n, 4, and 20	954,272	3,618,708	515,229
Cash and cash equivalents	1e, 1h, 4, 11 and 20	182,602,118	104,013,088	185,918,581
Total current assets		257,871,269	140,628,100	408,639,490
Total assets		1,095,583,050	1,728,266,460	1,248,681,768
Shareholder' funds and liabilities				
Shareholders' funds				
Share capital	12	230,391,627	366,246,868	366,246,868
Own shares	1q and 13	(8,441,804)	(7,286,681)	(8,441,804)
Reserves	1p	830,699,224	973,208,126	928,723,768
Net income / (loss) for the year		1427,705	25,227,665	(90,569,383)
Total Shareholders' funds		1,054,076,752	1,357,395,978	1,195,959,449
Liabilities				
Non-current liabilities				
Medium and long-term loans - net of short-term portion	1i, 1j, 4, 14, a and 20	-	188,995,136	20,003,496
Provisions for other liabilities and charges	1l, 1o and 15	332,483	177,341	332,469
Other non-current liabilities	1n, 1t and 4	386,277	90,987	370,948
Total non-current liabilities		718,760	189,263,464	20,706,913
Current liabilities				
Short-term loans and other loans	1h, 1i, 1j, 4, 14, b and 20	36,668,043	179,953,067	21,660,813
Other creditors	4, 16 and 20	1,378,844	1,192,014	7,308,273
Other current liabilities	1n, 1t and 4	2,740,651	461,937	3,046,320
Total current liabilities		40,787,538	181,607,018	32,015,406
Total Shareholders' funds and liabilities		1,095,583,050	1,728,266,460	1,248,681,768

The notes are an integral part of the financial statements at 31 March 2014 and 2013.

The Chief Accountant

Ricardo André Fraga Costa

The Board of Directors

Ângelo Gabriel Ribeirinho Paupério

Maria Cláudia Teixeira de Azevedo

António Bernardo Aranha da Gama Lobo Xavier

Profit and Loss account by nature

For the periods and quarters ended at 31 March 2014 and 2013 and for the year ended at 31 December 2013

(Amounts expressed in Euro)	Notes	March 2014	March 2013	December 2013
Services rendered	20	105,658	876,497	2,627,835
Other operating revenues	20	54,330	26,740	113,879
		159,988	903,237	2,741,714
External supplies and services	1.f, 17 and 20	(240,874)	(677,297)	(2,142,911)
Staff expenses	1.t and 23	(419,850)	(527,816)	(2,307,890)
Depreciation and amortisation	1.a, 1.b, 2 and 3	(4,361)	(17,342)	(65,561)
Provisions and impairment losses	1.l and 15	-	(100,465)	(90,138)
Other operating costs		(16,166)	(9,707)	(39,962)
		(681,251)	(1,332,627)	(4,646,462)
Gains and losses on Group companies	5 and 18	(960,000)	22,875,000	(147,101,781)
Gains and losses on financial assets at fair value through profit or loss	5, 7 and 18	2,528,197	-	46,636,719
Other financial expenses	1.c, 1.i, 1.j, 1.r, 1.s, 14 and 18	(604,449)	(3,296,479)	(11,211,267)
Other financial income	1.r, 8, 11 and 18	984,757	6,261,091	24,502,045
Current income / (loss)		1,427,242	25,410,222	(89,079,032)
Income taxation	1.m, 9 and 19	463	(182,557)	(1,490,351)
Net income / (loss) for the year		1,427,705	25,227,665	(90,569,383)
Earnings per share	22			
Including discontinued operations:				
Basic		0.00	0.07	(0.25)
Diluted		0.00	0.07	(0.25)
Excluding discontinued operations:				
Basic		0.00	0.07	(0.25)
Diluted		0.00	0.07	(0.25)

The notes are an integral part of the financial statements at 31 March 2014 and 2013.

The Chief Accountant

Ricardo André Fraga Costa

The Board of Directors

Ângelo Gabriel Ribeirinho Paupério

Maria Cláudia Teixeira de Azevedo

António Bernardo Aranha da Gama Lobo Xavier



Statement of profit and loss and other comprehensive income

For the periods and quarters ended at 31 March 2014 and 2013 and for the year ended at 31 December 2013

(Amounts expressed in Euro)	Notes	March 2014	March 2013	December 2013
Net income / (loss) for the year		1427,705	25,227,665	(90,569,383)
Components of other comprehensive income, net of tax		-	-	-
Comprehensive income for the year		1427,705	25,227,665	(90,569,383)

The notes are an integral part of the financial statements at 30 September 2014 and 2013.

The Chief Accountant

Ricardo André Fraga Costa

The Board of Directors

Ângelo Gabriel Ribeirinho Paupério

Maria Cláudia Teixeira de Azevedo

António Bernardo Aranha da Gama Lobo Xavier

Movements in Shareholders' funds

For the periods ended at 31 March 2014 and 2013

(Amounts expressed in Euro)			Reserves							
	Share capital	Own shares (note 13)	Share premium	Legal reserves	Medium Term Incentive Plans reserves (note 23)	Own shares reserves	Other reserves	Total reserves	Net income / (loss)	Total
2014										
Balance at 31 December 2013	366,246,868	(8,441,804)	775,290,377	13,152,684	473,962	8,441,804	131,364,941	928,723,768	(90,569,383)	1,195,959,449
Appropriation of result of 2013										
Transfer to legal reserves and other reserves	-	-	-	-	-	-	(90,569,383)	(90,569,383)	90,569,383	-
Comprehensive income for the year ended at 31 March 2014	-	-	-	-	-	-	-	-	1,427,705	1,427,705
Reduction of the share capital following the result of the general and voluntary acquisition of own shares (note 12)	(135,855,241)						(5,815,229)	(5,815,229)	-	(141,670,470)
Effect of the recognition of the Medium Term Incentive Plans (note 23)	-	-	-	-	(57,543)	-	-	(57,543)	-	(57,543)
Effect of the conversion of the Medium Term Incentive Plans (note 23)	-	-	-	-	(416,419)	-	(1,165,969)	(1,582,389)	-	(1,582,389)
Balance at 31 March 2014	230,391,627	(8,441,804)	775,290,377	13,152,684	-	8,441,804	33,814,360	830,699,224	1,427,705	1,054,076,752
(Amounts expressed in Euro)			Reserves							
	Share capital	Own shares (note 14)	Share premium	Legal reserves	Medium Term Incentive Plans reserves (note 23)	Own shares reserves	Other reserves	Total reserves	Net income / (loss)	Total
2013										
Balance at 31 December 2012	366,246,868	(6,299,699)	775,290,377	7,991,192	650,156	6,299,699	79,961,643	870,193,067	103,229,835	1,333,370,071
Appropriation of result of 2012	-	-	-	5,161,492	-	-	98,068,343	103,229,835	(103,229,835)	-
Comprehensive income for the period ended at 31 March 2013	-	-	-	-	-	-	-	-	25,227,665	25,227,665
Delivery of own shares under the Medium Term Incentive Plans	-	354,213	-	-	(406,268)	(354,213)	425,568	(334,913)	-	19,300
Effect of the recognition of the Medium Term Incentive Plans	-	-	-	-	120,137	-	-	120,137	-	120,137
Acquisition of own shares	-	(1,341,195)	-	-	-	1,341,195	(1,341,195)	-	-	(1,341,195)
Balance at 31 March 2013	366,246,868	(7,286,681)	775,290,377	13,152,684	364,025	7,286,681	177,114,359	973,208,126	25,227,665	1,357,395,978

The notes are an integral part of the financial statements at 31 March 2014 and 2013.

The Chief Accountant

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The Board of Directors

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António Bernardo Aranha da Gama Lobo Xavier



Cash Flow statements

For the periods ended at 31 March 2014 and 2013

(Amounts expressed in Euro)	March 2014	March 2013
Operating activities		
Payments to employees	(950,309)	(784,356)
Cash flows from operating activities	(950,309)	(784,356)
Payments / receipts relating to income taxes, net	368,215	654,018
Other payments / receipts relating to operating activities, net	28,814	4,404,737
Cash flows from operating activities (1)	(553,280)	4,274,399
Investing activities		
Receipts from:		
Financial Investments	1,662,864	15,260,284
Tangible assets	-	-
Interest and similar income	5,114,763	-
Loans granted	1,941,243	5,120,000
Dividends	-	2,980,531
	8,718,870	23,360,815
Payments for:		
Financial Investments	(4,079,124)	(15,260,284)
Loans granted	-	(15,260,284)
	(4,079,124)	(15,260,284)
Cash flows from investing activities (2)	4,639,746	8,100,531
Financing activities		
Receipts from:		
Loans obtained	-	20,310,000
	-	20,310,000
Payments for:		
Interest and similar expenses	(2,040,958)	(4,144,058)
Acquisition of own shares	-	(1,039,021)
Loans obtained	(5,375,000)	(30,000,000)
Dividends	-	(35,183,079)
	(7,415,958)	(35,183,079)
Cash flows from financing activities (3)	(7,415,958)	(14,873,079)
Net cash flows (4)=(1)+(2)+(3)	(3,329,492)	(2,498,149)
Cash and cash equivalents at the beginning of the period	185,918,581	103,717,414
Cash and cash equivalents at period end	182,589,089	101,219,265

The notes are an integral part of the financial statements at 31 March 2014 and 2013.

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Notes to the cash flow statements

For the periods ended at 31 March 2014 and 2013

	March 2014	March 2013
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.	988,854	7,624,773
Reimburse of supplementary capital from Público - Comunicação Social, S.A.	674,010	6,489,365
Reimburse of supplementary capital from Miauger - Organização e Gestão de Leilões Electrónicos, S.A.	-	1,146,146
	1,662,864	15,260,284
b) Other business activities		
Loss cover from PCJ - Público, Comunicação e Jornalismo, S.A.	674,010	-
Loss cover from Miauger - Organização e Gestão de Leilões Electrónicos, S.A.	826,880	-
Share capital increase of PCJ - Público, Comunicação e Jornalismo, S.A.	-	7,624,773
Share capital increase of Público - Comunicação Social, S.A.	-	6,489,365
Share capital increase of Miauger - Organização e Gestão de Leilões Electrónicos, S.A.	-	1,146,146
Purchase of shares Sonae SGPS	2,578,234	-
	4,079,124	15,260,284
	March 2014	March 2013
2. Details of cash and cash equivalents		
Cash in hand	574	1,147
Cash at bank	1,971,544	23,940
Treasury applications	180,630,000	103,988,000
Overdrafts	(13,028)	(2,793,822)
Cash and cash equivalents	182,589,089	101,219,265
Overdrafts	13,028	2,793,822
Cash assets	182,602,118	104,013,087
3. Description of non-monetary financing activities		
a) Bank credit obtained and not used	1,000,000	50,940,000
b) Purchase of company through the issue of shares	Not applicable	Not applicable
c) Conversion of loans into shares	Not applicable	Not applicable

The notes are an integral part of the financial statements at 31 March 2014 and 2013.

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5.4. Notes to the individual financial statements

SONAECON, 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.

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 (Note 7 and 12).

In 2014 Sonaecom reduced its share capital to 230,391,627 euros.

Euronext announced Sonaecom exclusion from the PSI-20 from 24 February 2014.

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 and taking into account the IAS 34 - 'Interim Financial Reporting'', 1 January 2006 was the date of transition from generally accepted accounting principles in Portugal to those standards.

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

The following standards, interpretations, amendments and revisions have been approved (endorsed) by the European Union and have mandatory application to financial years beginning on or after 1 January 2014 and were first adopted in the year ended at 31 March 2014:

Standard / Interpretation	Effective date (annual periods beginning on or after)
IFRS 10 (Consolidated Financial Statements)	1-Jan-13(**)
Builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.	
IFRS 11 (Companies jointly controlled)	1-Jan-13(**)
Provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case). The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities.	
IFRS 12 (Disclosures of Interests in Other Entities)	1-Jan-13(**)
New and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.	
IAS 27 (Separate Financial Statements)	1-Jan-13(**)
Consolidation requirements previously forming part of IAS 27 have been revised and are now contained in IFRS 10 Consolidated Financial Statements.	

Standard / Interpretation	Effective date (annual periods beginning on or after)
IAS 28 (Investments in Associates and Joint Ventures)	1-Jan-13(**)
The objective of IAS 28 (as amended in 2011) is to prescribe the accounting for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.	
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 amendments provide an exception to the consolidation requirements in IFRS 10.	
IAS 32- Admendments (Offsetting Financial Assets and Financial Liabilities)	1-Jan-14
IAS 32 is amended to refer to the disclosure requirements in respect of offsetting arrangements.	
Amendments to IAS 36 (Recoverable amount disclosures for Non-Financial Assets)	1-Jan-14
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 (Novation of Derivatives and Continuation of Hedge Accounting)	1-Jan-14
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 adopt these standards in the periods beginning on or after January 1, 2014. The early adoption is however permitted.

Implementation of these standards had no impact on the financial statements of the company.

There are not 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)
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IFRS 9 (Financial Instruments) and subsequent amendments	1-Jan-15
This standard is the first step in the project to replace IAS 39, and it introduces new requirements for classifying and measuring financial assets. 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).	
IFRS 14 (Regulatory Deferral Accounts)	1-Jan-16
Permits an entity which is a first-time adopter of IFRS to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements.	
IAS 19 - Amendments (Defined Benefit Plans: 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-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.	
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.	
IFRIC 21 Levies (Levies Charged by Public Authorities on Entities that Operate in a Specific Market)	1-Jan-14
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 period ended at 31 March 2014. 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 March 2014 are comparable with those used in the preparation of the individual financial statements at 31 March 2013.

Main accounting policies

The main accounting policies used in the preparation of the accompanying financial statements are as follows:

a) Tangible assets

Tangible assets are recorded at their acquisition cost less accumulated depreciation and less estimated accumulated impairment losses.

Depreciations are calculated on a straight-line monthly basis as from the date the assets are available for use in the necessary conditions to operate as intended by the management, by a corresponding charge to the profit and loss statement caption 'Depreciation and amortisation'.

Impairment losses detected in the realisation value of tangible assets are recorded in the period in which they arise, by a corresponding charge to the caption 'Depreciation and amortisation' of the profit and loss statement.

The annual depreciation rates used correspond to the estimated useful life of the assets, which are as follows:

	Years of useful life
Buildings and others constructions – improvements in buildings owned by third parties	4-20
Plant and machinery	5-6
Vehicles	4
Fixtures and fittings	3-8

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

b) Intangible assets

Intangible assets are recorded at their acquisition cost less accumulated amortisation and less estimated accumulated impairment losses. Intangible assets are only recognised, if it is likely that they will bring future economic benefits to the Company, if the Company controls them and if their cost can be reliably measured.

Intangible assets correspond, essentially, to software and industrial property.

Amortisations are calculated on a straight-line monthly basis, over the estimated useful life of the assets (three to six years) as from the month in which the corresponding expenses are incurred.

Amortisation for the period is recorded in the profit and loss statement under the caption 'Depreciation and amortisation'.

c) Investments in Group companies and other non-current assets

Investments in companies in which the Company has direct or indirect voting rights at Shareholders' General Meetings in



excess of 50% or in which it has control over the financial and operating policies are recorded under the caption 'Investments in Group companies', at their acquisition cost, in accordance with IAS 27, as Sonaecom presents, separately, consolidated financial statements in accordance with IAS / IFRS.

Loans and supplementary capital granted to affiliated companies with maturities, estimated or defined contractually, greater than one year, are recorded, at their nominal value, under the caption 'Other non-current assets'.

Investments and loans granted to Group companies are evaluated whenever an event or change of circumstances indicates that the recorded amount may not be recoverable or impairment losses recorded in previous years no longer exist.

Impairment losses estimated for investments and loans granted to Group companies are recorded, in the period that they are estimated, under the caption 'Other financial expenses' in the profit and loss statement.

The expenses incurred with the acquisition of investments in Group companies are recorded as cost when they are incurred.

d) 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 losses.

Loans and receivables are recorded as current assets, except when its maturity is greater than 12 months from the balance sheet date, a situation in which they are classified as non-current assets.

(iii) 'Held-to-maturity investments'

Held-to-maturity investments are non-derivative financial assets with fixed or variable payments and with fixed maturities that the Company's management has the positive intention and ability to hold until their maturity.

(iv) 'Available-for-sale financial assets'

Available-for-sale financial assets are non-derivative investments that are either designated in this category or not classified in any of the other above referred categories. They are included in non-current assets unless management intends to dispose them within 12 months of the balance sheet date.

Purchases and sales of investments are recognised on trade-date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. The 'Financial assets at fair value through profit or loss' are initially recognised at fair value and the transaction costs are recorded in the income statement. Investments are derecognised when the rights to



receive cash flows from the investments have expired or transferred, and consequently all substantial risks and rewards of their ownership have been transferred.

'Available-for-sale financial assets' and 'Financial assets at fair value through profit or loss' are subsequently carried at fair value.

'Loans and receivables' and 'Held-to-maturity investments' are carried at amortised cost using the effective interest method.

Realised and unrealised gains and losses arising from changes in the fair value of financial assets classified at fair value through profit or loss are recognised in the income statement. Realised and unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the profit and loss statement as gains or losses from investment securities.

The fair value of quoted investments is based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to similar instruments, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances. If none of these valuation techniques can be used, the Company values these investments at acquisition cost net of any identified impairment losses. The fair value of listed investments is determined based on the closing Euronext share price at the balance sheet date.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In case of equity securities classified as available-for-sale, a significant decline (above 25%) or prolonged decline (during two consecutive quarters) in the fair value of the security below its cost is considered in determining whether the securities are impaired. If such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment losses on that financial asset previously recognised in the profit or loss statement – is removed from equity and recognised in the profit and loss statement. Impairment losses recognised in the profit and loss statement on equity securities are not reversed through the profit and loss statement.

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 March 2014 and 2013, the Company did not have any derivative, beyond those mentioned in note 1.t).

l) 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 non-current liabilities', when it is possible to estimate reliably the amount and the timing of occurrence of the expense. If there is uncertainty regarding both the date of disbursement of funds, and the amount of the obligation, the value is classified as Provisions (note 1.1)).

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.

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 15).

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 March 2014, Sonaecom, SGPS, S.A., had free distributable reserves amounting to approximately EUR 17.0 million. To this effect were considered distributable increments resulting from the application of fair value through equity components already exercised during the period ended at 31 March 2014.

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:

	2014		2013	
	31 March	Average	31 March	Average
Pounds Sterling	1.2074	1.2078	1.1826	1.1756
Swiss franc	0.8201	0.8172	0.8200	0.8142
Swedish krona	0.1118	0.1129	0.1197	0.1178
American Dollar	0.7253	0.7301	0.7809	0.7578

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 determined 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 Sonaecom shares plans, the company converted all such plans into shares of Sonae SGPS. The impacts associated to the Medium Term Incentive Plans are registered, in the balance sheet, under the caption 'Other current liabilities' and 'Other non-current liabilities'. The cost is recognized under the profit and loss statement caption 'Staff expenses' (note 23).

Regarding the plans, originally, 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 periods ended at 31 March 2014 and 2013 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 14) 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

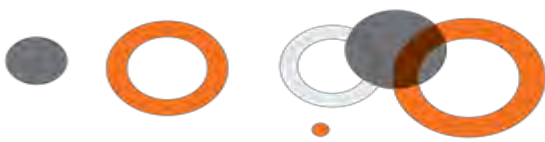
The existence of liquidity in the Company requires the definition of some policies for an efficient and secure management of the liquidity, allowing us to maximise the profitability and to minimise the opportunity costs related with that liquidity.

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 14.

Credit risk

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

The management of this risk seeks to guarantee that the amounts owing are effectively collected within the periods negotiated without affecting the financial health of the Company.

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

2. Tangible assets

The movement in tangible assets and in the corresponding accumulated depreciation and impairment losses in the periods ended at 31 March 2014 and 2013 was as follows:

							2014
	Buildings and other constructions	Plant and machinery	Vehicles	Tools	Fixtures and fittings	Other tangible assets	Total
Gross assets							
Balance at 31 December 2013	348,914	43,858	22,060	171	242,718	104	657,825
Balance at 31 March 2014	348,914	43,858	22,060	171	242,718	104	657,825
Accumulated depreciation and impairment losses							
Balance at 31 December 2013	325,938	43,643	2,298	171	232,961	104	605,115
Depreciation for the year	1,129	18	1,379	-	1,438	-	3,964
Balance at 31 March 2014	327,067	43,661	3,677	171	234,399	104	609,079
Net value	21,847	197	18,383	-	8,319	-	48,746

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

3. Intangible assets

The movement in intangible assets and in the corresponding accumulated amortisation and impairment losses in the periods ended at 31 March 2014 and 2013, was as follows:

				2014
	Brands, patents and other rights	Software	Intangible assets in progress	Total
Gross assets				
Balance at 31 December 2013	9,719	192,404	-	202,123
Balance at 31 March 2014	9,719	192,404	-	202,123
Accumulated amortisation and impairment losses				
Balance at 31 December 2013	9,719	185,312	-	195,031
Amortisation for the year	-	397	-	397
Balance at 31 March 2014	9,719	185,709	-	195,428
Net value	-	6,695	-	6,695

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

4. Breakdown of financial instruments

At 31 March 2014 and 2013, the breakdown of financial instruments was as follows:

						2014
	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)	172,556,237	-	-	172,556,237	-	172,556,237
	172,556,237	-	-	172,556,237	-	172,556,237
Current assets						
Financial assets at fair value through profit or loss (note 7)	-	64,549,251	-	64,549,251	-	64,549,251
Other trade debtors (note 10)	6,925,619	-	-	6,925,619	2,840,009	9,765,628
Other current assets	-	-	839,692	839,692	114,580	954,272
Cash and cash equivalents (note 11)	182,602,118	-	-	182,602,118	-	182,602,118
	189,527,737	64,549,251	839,692	254,916,680	2,954,589	257,871,269
	Loans and receivables	Financial assets at fair value through profit or loss	Other financial assets	Subtotal	Others not covered by IFRS 7	2013
						Total
Non-current assets						
Other non-current assets (note 8)	514,120,246	-	-	514,120,246	-	514,120,246
	514,120,246	-	-	514,120,246	-	514,120,246
Current assets						
Other trade debtors (note 10)	30,522,271	-	-	30,522,271	2,474,033	32,996,304
Other current assets	-	-	3,460,621	3,460,621	158,087	3,618,708
Cash and cash equivalents (note 11)	104,013,088	-	-	104,013,088	-	104,013,088
	134,535,359	-	3,460,621	137,995,980	2,632,120	140,628,100
	Liabilities recorded at amortised cost	Other financial liabilities	Subtotal	Others not covered by IFRS 7		2014
						Total
Non-current liabilities						
Medium and long-term loans – net of short-term portion (note 14)	-	-	-	-	-	-
Other non-current liabilities	-	-	-	-	386,277	386,277
	-	-	-	-	386,277	386,277
Current liabilities						
Short-term loans and other loans (note 14)	36,668,043	-	36,668,043	-	-	36,668,043
Other creditors (note 16)	-	1,327,273	1,327,273	51,571	-	1,378,844
Other current liabilities	-	112,994	112,994	1,894,034	-	2,740,651
	36,668,043	1,440,267	38,108,310	1,945,605	-	40,787,538
	Liabilities recorded at amortised cost	Other financial liabilities	Subtotal	Others not covered by IFRS 7		2013
						Total
Non-current liabilities						
Medium and long-term loans – net of short-term portion (note 14)	188,995,136	-	188,995,136	-	-	188,995,136
Other non-current liabilities	-	-	-	90,987	-	90,987
	188,995,136	-	188,995,136	90,987	-	189,086,123
Current liabilities						
Short-term loans and other loans (note 14)	179,953,067	-	179,953,067	-	-	179,953,067
Other creditors (note 16)	-	861,403	861,403	330,611	-	1,192,014
Other current liabilities	-	334,342	334,342	127,595	-	461,937
	179,953,067	1,195,745	181,148,812	458,206	-	181,607,018

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

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


5. Investments in Group companies

At 31 March 2014 and 2013, this caption included the following investments in Group companies:

Company	2014	2013
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')	11,850,557	11,176,546
Público - Comunicação Social, S.A. ('Público')	10,227,595	10,227,595
Miauger – Organização e Gestão de Leilões Electrónicos, S.A. ('Miauger')	6,541,125	5,714,245
Sonaecom - Serviços Partilhados, S.A. ('Sonaecom SP')	50,000	50,000
OPTIMUS, SGPS, S.A. ('Optimus SGPS')	-	1,005,866,218
	180,940,766	1,185,306,093
Impairment losses (note 16)	(113,507,607)	(112,101,451)
Total investments in Group companies	67,433,159	1,073,204,642

The movements that occurred in investments in this caption during the years ended at 31 March 2014 and 2013 were as follows:

Company	Balance at 31 December 2013	Additions	Disposals	Transfers and write-offs	Balance at 31 March 2014
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	5,714,245	826,880	-	-	6,541,125
Público	10,227,595	-	-	-	10,227,595
PCJ	11,176,547	674,010	-	-	11,850,557
Sonaecom Sp	50,000	-	-	-	50,000
	179,439,876	1,500,890	-	-	180,940,766
Impairment losses (note 15)	(112,859,590)	-	340,837	(988,854)	(113,507,607)
	66,580,286	1,500,890	340,837	(988,854)	67,433,159



Company	Balance at 31 December 2012	Additions	Disposals	Transfers and write-offs	Balance at 31 March 2013
Optimus SGPS	1,005,866,218	-	-	-	1,005,866,218
Sonaetelecom BV	75,009,902	-	-	-	75,009,902
Sonae com SI	52,241,587	-	-	-	52,241,587
Sonaecom BV	25,020,000	-	-	-	25,020,000
PCJ	3,551,772	7,624,774	-	-	11,176,546
Público	3,738,230	6,489,365	-	-	10,227,595
Miauger	4,568,100	1,146,145	-	-	5,714,245
Sonaecom SP	50,000	-	-	-	50,000
	1,170,070,809	15,260,284	-	-	1,185,306,093
Impairment losses (note 15)	(97,197,713)	(65,000)	-	(14,838,738)	(112,101,451)
	1,072,873,096	15,195,284	-	(14,838,738)	1,073,204,642

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 million¹ (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).

¹ The Zopt participation of 598 million euros ($598 = ((2,850 \times 50,01\%) - 230) \times 50\%$) 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, respectively (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%.

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 period ended at 31 March 2014, the amounts of Euro 826,880 and Euro 674,010, under the caption increases 'Additions' in Miauger and PCJ, respectively, correspond to increases in capital to cover losses.

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

The Company presents separate consolidated financial statements at 31 March 2014, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, which presents total consolidated assets of Euro 1,080,418,401 total consolidated liabilities of Euro 80,333,959, consolidated operational revenues of Euro 31,460,690 and consolidated Shareholders' funds of Euro 1,000,084,442 including a consolidated net profit (attributable to the Shareholders of the parent company – Sonaecom, SGPS, S.A.) for the period ended at 31 March 2014 of Euro 7,183,847.

At 31 March 2014 and 2013, the main financial information regarding the subsidiaries and joint ventures directly owned by the company is, as follows (values in accordance with IFRS):

		2014			2013		
Company	Head office	% holding	Shareholders' funds	Net profit / (loss)	% holding	Shareholders' funds	Net profit / (loss)
ZOPT (note 6)	Matosinhos	50%	1,249,924,601	(13,192)	50%	13,408	(36,592)
Sonae com SI	Maia	100%	86,155,333	154,034	100%	85,959,360	1,402,713
Sonaecom BV	Amsterdam	100%	15,070,021	108,620	100%	14,677,285	97,442
PCJ	Maia	100%	1,247,338	7,893	100%	1,981,195	67,740
Sonaetelecom BV	Amsterdam	100%	1,620,151	2,721	100%	1,615,160	(712)
Miauger	Maia	100%	289,573	229,573	100%	208,958	(9,896)
Sonaecom SP	Maia	100%	62,663	20,653	100%	49,242	(793)
Público	Maia	100%	674,520	(843,755)	100%	762,138	(630,267)
Optimus SGPS	Maia	-	-	-	100%	996,034,171	43,234,079

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 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%

6. Investments in joint ventures

At 31 March 2014 e 2013, this caption included the following investments in joint ventures:

Company	2014	2013
ZOPT, SGPS, S.A. ('ZOPT')	597,666,944	25,000

The movements that occurred in this caption during the years ended at 31 March 2014 and 2013 were as follows:

Company	Balance at 31 December 2013	Additions (note 5)	Disposals	Transfers and write-offs	Balance at 31 March 2014
ZOPT	597,666,944	-	-	-	597,666,944

Empresa	Balance at 31 December 2012	Additions (note 5)	Disposals	Transfers and write-offs	Balance at 31 March 2013
ZOPT	25000	-	-	-	25000

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 short-time. In accordance with the 'Shareholders Agreement', these shares neither concedes any additional vote right or affect the shared control situation with Zon Optimus.

In the period ended March 31, 2014 were still Sonae acquired shares in accordance with the movement described below.

The movements occurred in this caption during the period ended at 31 March 2014, were as follows:

					2014
Financial assets at fair value through profit or loss	Opening balance	Increases	Decreases	Fair value adjustments	Closing balance
Zon Optimus	202,442,350	-	(141,650,837)	1,979,919	62,771,432
Sonae SGPS	-	1,726,476	-	51,343	1,777,819
	202,442,350	1,726,476	(141,650,837)	2,031,262	64,549,251

The fair value adjustments are recorded under the caption 'Gains and losses on Group companies' in Profit and Loss Statement (note 18).

The decreases in 31 March 2014, corresponds to the expected return on stocks trading under the General Public and Voluntary Offer for acquisition of own shares Zon Optimus. As a result of this offering Sonaecom reduced its investment in shares in Zon Optimus 26,476,792 shares (EUR 141,650,837) (note 12) and now holds 11,012,532 shares representing the share capital of Optimus Zon, corresponding to a share of 2.14%

The evaluation of fair value of the investment is detail as follows:

	Zon Optimus	Sonae SGPS
Shares	11,012,532	1,303,386
Level of inputs in the hierarchy of fair value	Level 1	
Valuation method	Quoted price on the stock exchange	
Quoted price*	5.7	1364
Fair value	62,771,432	1,777,819

* Used the share price of 31 March 2014 in the determination of the fair value.


8. Other non-current assets

At 31 March 2014 and 2013, this caption was made up as follows:

	2014	2013
Financial assets		
Medium and long-term loans granted* to Group companies and joint ventures:		
Sonae com SI	14,295,000	11,950,000
PCJ	4,425,000	4,690,000
Público	1,780,000	-
Optimus SGPS	-	312,850,000
Sonaecom BV	-	820,000
	20,500,000	330,310,000
Supplementary capital:		
Zopt	115,000,000	-
Sonae com SI	39,951,791	39,951,792
Público	2,182,406	1,332,405
PCJ	1,189,445	1,863,455
Miauger	-	158,854
Optimus SGPS	-	144,630,000
	158,323,642	187,936,506
	178,823,642	518,246,506
Accumulated impairment losses (note 15)	(6,267,405)	(4,126,260)
	172,556,237	514,120,246

During the periods ended at 31 March 2014 and 2013, the movements that occurred in 'Medium and long-term loans granted' to Group companies and joint ventures were as follows:

					2014
Company	Opening balance	Increases	Decreases	Transfers	Closing balance
Sonae com SI	15,655,000	-	(1,360,000)	-	14,295,000
PCJ	4,610,000	-	(185,000)	-	4,425,000
Público	1,780,000	-	-	-	1,780,000
	22,045,000	-	(1,545,000)	-	20,500,000



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

During the periods ended at 31 December 2014 and 2013, the movements in 'Supplementary capital' were as follows:

					2014
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	2,182,405	-	-	-	2,182,405
PCJ	1,863,455	-	(674,010)	-	1,189,445
Miauger	988,853	-	-	(988,853)	-
Optimus SGPS	-	-	-	-	-
	159,986,505	-	(674,010)	(988,853)	158,323,642

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

During the period ended at 31 December 2014 and 2013, the loans granted to Group companies and joint ventures earned interest at market rates with an average interest rate of 5.72% and 5.62%, 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 March 2014 and 2013 the value of deferred tax assets not recorded where it is not expected that sufficient taxable profits will be generated in the future to cover those losses, have the following detail:

	2014	2013
Tax losses	-	53,012,643
Provisions not acceptable for tax purposes, impairment losses and others	121,094,292	116,897,772
Total	121,094,292	169,910,415
Deferred tax assets	29,522,324	44,231,071

At 31 March 2014 and 2013, the deferred tax assets relating to tax losses carried forward have the following origin dates:

Year of origin	2014	2013
2007	-	13,253,161
	-	13,253,161

For the period ended at 31 March 2014 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 period ended at 31 March 2013, 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 periods ended at 31 March 2014 and 2013 is as follows:

	2014	2013
Earnings before tax	1,427,242	25,410,222
Income tax rate (2014: 23% / 2013: 25%)	(328,266)	(6,352,556)
Correction of the tax of the previous year and other related taxes	(986)	(50,735)
Tax provision (notes 15 and 19)	-	(2,575)
Movements in provisions not accepted for tax purposes	(133,604)	(335,193)
Adjustments to the taxable income	463,319	6,170,762
Use of losses carried forward, which deferred taxes were not recorded	-	387,740
Income taxation recorded in the year (note 19)	463	(182,557)

The tax rate used to reconcile the tax expense and the accounting profit was 23% in the year of 2014 and 25% in 2013 because it are the standards rates of the corporate income tax in Portugal in 2014 and 2013.

The adjustments to the taxable income in 2013 relates, mainly, to losses and gains in financial investments and dividends received (note 18), 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 March 2014.

10. Other current debtors

At 31 March 2014 and 2013, this caption was made up as follows:

	2014	2013
State and other public entities	2,840,009	30,522,271
Trade debtors	6,925,619	2,474,033
	9,765,628	32,996,304

At 31 March 2014 and 2013, 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 18 and 20).

The caption 'State and other public entities', at 31 March 2014 and 2013, includes the special advanced payment, retentions and taxes to be recovered.

11. Cash and cash equivalents

At 31 March 2014 and 2013, the breakdown of cash and cash equivalents was as follows:

	2014	2013
Cash	574	1,148
Bank deposits repayable on demand	1,971,544	23,940
Treasury applications	180,630,000	103,988,000
	182,602,118	104,013,088
Bank overdrafts (note 14)	(13,028)	(2,793,822)
	182,589,089	101,219,266

At 31 March 2014 and 2014, the caption 'Treasury applications' had the following breakdown:

	2014	2013
Bank applications	172,635,000	-
We Do	3,500,000	2,613,000
Público	2,305,000	2,020,000
Mainroad	1,480,000	425,000
Saphety	410,000	-
Sonaecom SI	290,000	-
PCJ	10,000	90,000
Sonaecom SP	-	-
Lugares Virtuais	-	615,000
Optimus SGPS	-	98,225,000
	180,630,000	103,988,000

During the period ended at 31 March 2014, the above mentioned treasury applications bear interests at an average rate of 5.78% (5.52% in 2013).

12. Share capital

At 31 March 2014 and 2013, the share capital of Sonaecom was comprised by 311,340,037 and 366,246,868 ordinary registered shares of 0.74 and 1 Euro each. At those dates, the Shareholder structure was as follows:

	2014		2013	
	Number of shares	%	Number of shares	%
Sontel BV	194,063,119	62.33%	194,063,119	52.99%
Sonae SGPS	79,290,757	25.47%	3,430,000	0.94%
Shares traded on the Portuguese Stock Exchange ('Free Float')	32,415,147	10.41%	78,119,762	21.33%
Own shares (note 18)	5,571,014	1.79%	4,882,615	1.33%
Atlas Service Belgium**	-	-	73,249,374	20.00%
Millenium BCP ***	-	-	12,500,998	3.41%
Efanor Investimentos, S.G.P.S., S.A.*	-	-	1,000	0.00%
	311,340,037	100.00%	366,246,868	100.00%

* in the period ended at 31 March 2014, following the completion of Public Offer of own shares, Efanor has no longer a direct participation in the capital of Sonaecom.

**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 correspond to a qualified participation.

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 offered obliged to acquire all the shares that were 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 reduced its capital by € 136 million as a result of the extinction of the own shares acquired (54,906,831 shares) and reduction of the nominal value of the remaining shares of capital stock of the of Sonaecom 1 euro to 0.74 euro per share. Following this result, the Euronext announced the exclusion of Sonaecom PSI-20 from February 24, 2014.

As a return for the the own shares acquired in this General Public Offer and Voluntary process Sonaecom delivered 26,476,792 shares representing the share capital of Zon Optimus which were recorded in the balance sheet by EUR 141,650,837 (Note 7) and the amount of 19,632 euros in cash, so as a result of this General Public and Voluntary Offer, assets and equity Sonaecom decreased by EUR 141,670,470.

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

13. Own shares

During the period ended 31 March 2014, Sonaecom did not acquire, sold or delivered own actions, in addition the own shares purchased under the General Public Offer and Voluntary process described in Note 12, whereby the amount held to date, is of 5,571,014 own shares representing 1.79% of its share capital, at an average price of 1.515 euros

14. Loans

At 31 March 2014 and 2013, the caption 'Loans' had the following breakdown:

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

Issue denomination	Limit	Maturity	Type of reimbursement	Amount outstanding	
				2014	2013
'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
Costs associated with financing set-up	-	-	-	-	(1,428,055)
Interests incurred but not yet due	-	-	-	-	252,063
				-	158,824,008
Commercial paper	30,000,000	Jul-15	-	-	30,000,000
Costs associated with financing set-up	-	-	-	-	(70,346)
Interests incurred but not yet due	-	-	-	-	241,474
				-	30,171,128
				-	188,995,136

b) Short-term loans and other loans

Issue denomination	Limit	Maturity	Type of reimbursement	Amount outstanding	
				2014	2013
Treasury applications	25,000,000	Jul-13	-	16,279,000	11,033,000
Interests incurred but not yet due	-	-	-	161,481	175,185
				16,440,481	11,208,185
'Obrigações Sonaecom SGPS 2005'	150,000,000	Jun-13	Final	-	150,000,000
'Obrigações Sonaecom SGPS 2013'	20,000,000	Jun-14	Final	20,000,000	-
Costs associated with financing set-up	-	-	-	(88,934)	(126,563)
Interest incurred but not yet due	-	-	-	303,468	502,055
				20,214,534	150,375,492
Commercial paper	25,000,000	Jul-13	-	-	7,000,000
Costs associated with financing set-up	-	-	-	-	(5,200)
Interests incurred but not yet due	-	-	-	-	5,768
				-	7,000,568
Pledged Current Account	16,500,000	Jul-13	-	-	8,575,000
Authorized Overdrafts (note 11)	2,500,000	Oct-13	-	-	2,485,000
Bank overdrafts (note 11)	-	-	-	13,028	308,822
				13,028	11,368,822
				36,668,043	179,953,067



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 March 2010, Sonaecom signed other Bond Loan, privately placed, in the amount of Euro 40 million, without guarantees and maturity of 5 years. The loan bear interest at floating rate indexed to Euribor, and paid semiannually. The issues was organised and mounted by Caixa - Banco de Investimento. These bond issues was traded on Euronext Lisbon market. During the year ended at 31 December 2013, following the merger, the Boan Loan of Euro 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. This loan will be repaid early in June 2014.

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 period 2014, was 4.83% (2.39% in 2013).

Commercial Paper

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 March 2014, this credit line was transferred to Sonae SGPS.

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 period of 2013, was 3.84%.

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 March 2014, 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 March 2014 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 periods ended at 31 March 2014 and 2013, the detail of 'Treasury applications' received from subsidiaries was as follows:

	2014	2013
Sonaecom BV	14,720,000	3,650,000
Sonaetelecom BV	1,559,000	1,599,000
Digitmarket	-	5,170,000
Saphety	-	260,000
Miauger	-	210,000
Sonae com SI	-	95,000
Sonaecom SP	-	49,000
	16,279,000	11,033,000

The treasury applications received from Group companies are payable in less than one year and earn interests at market rates. During the periods ended at 31 March 2014 and 2013, the treasury applications earned an average interest rate of 3.74% and 3.12%, respectively.

At 31 March 2014 and 2013, 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	Between 60 and 72 months
2014						
Bond loan:						
Reimbursements	-	-	-	-	-	-
Interests	-	-	-	-	-	-
Commercial paper:						
Reimbursements	-	-	-	-	-	-
Interests	-	-	-	-	-	-
2013						
Bond loan:						
Reimbursements	-	150,000,000	10,000,000	-	-	-
Interests	5,595,859	5,292,192	167,988	-	-	-
Commercial paper:						
Reimbursements	-	-	30,000,000	-	-	-
Interests	1,187,520	1,187,520	396,925	-	-	-
	6,783,379	156,479,712	40,564,913	-	-	-

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 period ended at 31 March 2013.

At 31 March 2014 and 2013, the available credit lines of the Company are as follows:

					Maturity
Credit	Limit	Amount outstanding	Amount available	Until 12 months	More than 12 months
2014					
Bond loan	20,000,000	20,000,000	-	x	
Authorised overdrafts	1,000,000	-	1,000,000	x	
Several	-	13,028	-	x	
	21,000,000	20,013,028	1,000,000		
2013					
Commercial paper	30,000,000	30,000,000	-		x
Commercial paper	25,000,000	7,000,000	18,000,000	x	
Commercial paper	15,000,000	-	15,000,000	x	
Bond loan	150,000,000	150,000,000	-	x	
Bond loan	100,000,000	100,000,000	-		x
Bond loan	40,000,000	40,000,000	-		x
Bond loan	20,000,000	20,000,000	-		x
Overdraft facilities	16,500,000	8,575,000	7,925,000	x	
Authorised overdrafts*	10,000,000	-	10,000,000	x	
Authorised overdrafts	2,500,000	2,485,000	15,000	x	
Several	-	308,822	-	x	
	409,000,000	358,368,822	50,940,000		

* Can also be used in the form of commercial paper

At 31 March 2014 and 2013, there are no interest rate hedging instruments.

15. Provisions and accumulated impairment losses

The movements in provisions and in accumulated impairment losses in the years ended 31 March 2014 and 2013 were as follows:

	Opening balance	Increases	Reductions	Transfers	Utilizations	Closing balance
2014						
Accumulated impairment losses on investments in Group companies (notes 5 and 18)	112,859,590	-	(340,837)	988,854	-	113,507,607
Accumulated impairment losses on other non-current assets (notes 8 and 18)	6,296,259	960,000	-	(988,854)	-	6,267,405
Provisions for other liabilities and charges	332,469	14	-	-	-	332,483
	119,488,318	960,014	(340,837)	-	-	120,107,495
2013						
Accumulated impairment losses on investments in Group companies (notes 5 and 18)	97,197,713	65,000	-	14,838,738	-	112,101,451
Accumulated impairment losses on other non-current assets (notes 8 and 18)	17,204,998	1,760,000	-	(14,838,738)	-	4,126,260
Provisions for other liabilities and charges	74,959	103,088	(706)	-	-	177,341
	114,477,670	1,928,088	(706)	-	-	116,405,052

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 18).

At 31 March 2013, the increase of 'Provisions for other liabilities and charges' includes the amount of Euro 2,575 registered in the financial statements, under the caption 'Income taxation', due to its' nature (note 19). At 31 March 2014 and 2013 the amount of 14 euros recorded in the income statement in 'Other financial costs', concerns the update of the provision for decommissioning of sites as provided for in IAS 16 - 'Tangible assets' (Note 1.a)). Additionally, in 31 March 2013, the increase of 'Provisions for other liabilities and charges' include the amount of Euro 100,465 to cover several contingencies related to probable liabilities resulting from several transactions which cash outflow is probable.

16. Other creditors

At 31 March 2014 and 2013, this caption was made up as follows:

	2014	2013
Other creditors	1,327,273	861,403
State and other public entities	51,571	330,611
	1,378,844	1,192,014

17. External supplies and services

At 31 December 2014 and 2013, this caption was made up as follows:

	2014	2013
Specialised work	169,259	574,943
Travel and accommodation	23,914	21,158
Other external supplies and services	17,139	19,657
Insurance	12,471	12,458
Communications	10,078	10,776
Rents	8,013	38,305
	240,874	677,297

18. Financial results

Net financial results for the periods ended 31 March 2014 and 2013 are made up as follows ((costs)/gains):

	2014	2013
Gains and losses on investments in Group companies		
Losses related to Group companies (notes 5, 8 and 15)	(960,000)	(1,825,000)
Gains related to Group companies	-	24,700,000
	(960,000)	22,875,000
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)	2,528,197	-
	2,528,197	-
Other financial expenses		
Interest expenses:		
Bank loans	(213,108)	(1,083,758)
Other loans	(155,105)	(2,109,336)
Bank overdrafts and others	-	-
	(368,213)	(3,193,094)
Foreign currency exchange losses	-	-
Other financial expenses	(236,236)	(103,385)
	(236,236)	(103,385)
	(604,449)	(3,296,479)
Other financial income		
Interest income	984,720	6,260,837
Foreign currency exchange gains	37	254
	984,757	6,261,091

19. Income Taxation


Income taxes recognized during the periods ended at 31 March 2014 and 2013 were made up as follows ((costs) / gains):

	2014	2013
Current tax	463	(179,982)
Tax provision (notes 9 and 15)	-	(2,575)
Closing balance	463	(182,557)

20. Related parties

The most significant balances and transactions with related parties (which are detailed in the appendix) at 31 March 2014 and 2013 were as follows:

	Balances at 31 December 2014				
	Accounts receivable (note 10)	Accounts payable (note 16)	Treasury applications (note 11)	Other assets / (liabilities)	Loans granted/ (obtained) (note 8 and 14)
Parent Company					
Sonae SGPS	-	(872)	-	(6,755)	-
Subsidiaries					
Miauger	-	58,652	-	-	(1,724)
PCJ	133,407	(100,277)	10,000	52,388	4,425,000
Público	36,093	925,737	2,305,000	63,229	1,780,000
Sonae com SI	393,337	(18,066)	290,000	107,903	14,290,548
Sonaecom BV	1,910	240,841	-	-	(14,838,477)
Sonae Telecom BV	-	25,335	-	-	(1,571,548)
Sonaecom SP	-	107,784	-	79,095	-
Others related parties					
Digitmarket	6,325	1,505	-	-	(24,280)
Lugares Virtuais	-	210,390	-	-	-
Mainroad	42,887	32,451	1,480,000	256,763	-
Permar	-	-	-	-	-
Saphety	16,523	5,852	410,000	74,676	-
SonaecenterII	-	-	-	-	-
Wedo	670,454	(190,094)	3,500,000	25,434	-
Others	-	(1,980)	-	(131,242)	-
	1,300,936	1,298,130	7,995,000	521,491	4,059,519



	Balances at 31 December 2013				
	Accounts receivable (note 10)	Accounts payable (note 16)	Treasury applications (note 11)	Other assets / (liabilities)	Loans granted / (obtained) (note 8 and 14)
Parent Companies					
Sonae SGPS	-	16,266	-	(6,755)	-
Subsidiaries					
Miauger	(7,771)	-	-	308	(211,800)
Optimus SGPS	30,202,175	-	98,225,000	3,069,928	312,850,000
PCJ	203,019	-	90,000	24,443	4,690,000
Público	(2,375,168)	-	2,020,000	18,599	(468)
Sonae com SI	179,812	-	-	61,088	11,854,618
Sonaecom BV	61,083	2,935	-	4,001	(2,945,131)
Sonaetelecom BV	-	-	-	-	(1,611,476)
Sonaecom SP	12	-	-	-	(49,446)
Others related parties					
Be Artis	(1,573,902)	2,807	-	1,628	-
Be Towering	198,429	-	-	-	-
Digitmarket	4,784	1,505	-	-	(5,208,279)
Lugares Virtuais	(160,037)	369	615,000	9,052	-
Mainroad	179,877	4,269	425,000	5,854	-
Optimus	3,714,762	156,022	-	(21,398)	-
Permar	(307)	-	-	-	-
Saphety	4,392	5,226	-	20,066	(264,418)
Wedo	128,146	-	2,613,000	262,033	(1,785)
Others	(159)	206,780	-	(33,534)	-
	30,759,146	396,179	103,988,000	3,415,313	319,101,815

				Transactions at 31 December 2014
	Sales and services rendered	Supplies and services received (note 17)	Interest and similar income / (expense) (note 18)	Supplementary income
Parent Company				
Sonae SGPS	-	(771)	453,180	-
Subsidiaries				
Miauger	-	-	(1,573)	-
PCJ	-	-	65,113	-
Público	34,346	190	46,791	-
Sonae com SI	-	-	211,203	-
Sonaecom BV	-	-	(118,477)	-
Sonaetelecom BV	-	-	-	-
Sonaecom SP	-	61,463	4,233	-
Wedo	31,088	-	23,531	-
Others related parties				
Digitmarket	11,755	(1,849)	(18,361)	-
Mainroad	17,633	-	5,938	-
Saphety	10,836	180	6,422	-
Others	-	61,854	-	-
	105,658	121,067	677,999	-



				Transactions at 31 December 2013
	Sales and services rendered	Supplies and services received (note 17)	Interest and similar income / (expense) (note 18)	Supplementary income
Parent Companies				
Sonae SGPS	-	-	-	-
Subsidiaries				
Miauger	-	-	(1,716)	-
Optimus SGPS	-	-	5,948,974	-
PCJ	-	-	67,562	-
Público	29,848	124	17,979	-
Sonae com SI	1,156	-	174,201	-
Sonaecom BV	-	-	(100,871)	-
Sonaetelecom BV	-	-	(12,476)	-
Sonaecom SP	-	-	(382)	-
Wedo	30,938	3,410	4,695	-
Others related parties				
Optimus	779,235	262,068	-	26,035
Be Artis	-	6,846	-	-
Wedo	35,320	251,193	(22,715)	-
	876,497	523,641	6,075,251	26,035

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.

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.

21. Guarantees provided to third parties

Guarantees provided to third parties at 31 March 2014 and 2013 were as follows:

Beneficiary	Description	2014	2013
Direção de Contribuições e Impostos (Portuguese tax authorities)	VAT reimbursements	1,435,379	5,955,731
Direção de Contribuições e Impostos (Portuguese tax authorities)	Additional tax assessments (VAT, Stamp and Income tax)	222,622	2,696,853
Direção de Contribuições e Impostos (Portuguese tax authorities)	Others	-	16,795
		1,658,001	8,669,379

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 March 2014, 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.

22. Earnings per share

Earnings per share, basic and diluted, are calculated by dividing the net income of the year (Euro 1,427,705 in 2014 and Euro 25,227,667 in 2013) by the average number of shares outstanding during the periods ended at 31 March 2014 and 2013, net of own shares (334,373,577 in 2014 and 361,738,638 in 2013).

23. 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 were summarized as follows:

		Vesting period		31 December 2013	
	Share price at award date*	Award date	Vesting date	Aggregate number of participations	Number of shares
Sonaecom shares					
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					
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.

At 10 March 2014, Sonaecom shares plans were converted in full for shares Sonae SGPS. This conversion was based on the terms set out in exchange takeover bid at 20 February 2014, referred to in Note 12 to determine the fair value of Sonaecom plans, and based on the price of shares Sonae SGPS.

Therefore, the conversion of the plans was based Sonaecom / Sonae SGPS implied ratio under fixed the takeover bid (1 Sonaecom Action - Sonae SGPS shares approximately 2.05).

After conversion at 10 March 2014, the converted plans can be detailed as follows:

		Vesting period		10 March 2014	
	Share price at 20 February 2014*	Award date	Vesting date	Aggregate number of participations	Number of shares
Sonae SGPS shares					
2010 Plan	1.258	10-Mar-11	10-Mar-14	2	422,647
2011 Plan	1.258	09-Mar-12	10-Mar-15	2	454,317
2012 Plan	1.258	08-Mar-13	10-Mar-16	2	266,008

*Quotation of the day of publication of the results of the Tender Offer

By the Board Nomination and Remuneration Decision, the delivery of the 2010 Plan was deferred for the second quarter of 2014.

Therefore, the plans still open at 31 March 2014 are as follows:

		Vesting period		31 March 2014	
	Share price at award date*	Award date	Vesting date	Aggregate number of participations	Number of shares
Sonaecom shares					
2010 Plan	1.258	10/mar/11	10/mar/14	2	422,647
2011 Plan	1.258	09/mar/12	10/mar/15	2	454,317
2012 Plan	1.258	08/mar/13	10/mar/16	2	266,008
Sonae SGPS shares					
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	8/mar/13	10/mar/16	2	163,966

During the period ended at 31 March 2014, the movements that occurred in the plans can be summarized as follows:

	Sonaecom shares		Sonae SGPS shares	
	Aggregate number of participations	Number of shares	Aggregate number of participations	Number of shares
Outstanding at 31 December 2013:				
Unvested	6	557,263	6	798,591
Total	6	557,263	6	798,591
Movements in period:				
Converted	(6)	(557,263)	6	1,142,972
Cancelled / lapsed / corrected*				
Outstanding at 31 March 2014:				
Unvested	-	-	12	1,941,563
Total	-	-	12	1,941,563

* 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.

The responsibility for all plans was recognized under 'Other current liabilities' and 'Other non-current liabilities'. For originally plans of Sonae SGPS shares, the Group entered into hedging contract with external entities, and the responsibilities are calculated based on the prices agreed on those contracts.

The detail of the hedging contracts is as follows:

	Sonae SGPS shares		Sonaecom shares
	2011 Plan	2012 Plan	2011 Plan
Notional value	323,727	268,451	492,439
Maturity	Mar-15	Mar-16	Dec-16
Level of inputs in the hierarchy of fair value	Nível 2		
Valuation method	Actual replacement Cost		
Fair value*	737,992	242,570	455,229

* Used the share price of 31 March 2014 in the determination of the fair value.

Share plan costs are recognised in the accounts over the period between the award and the vesting date of those plans. The costs recognised in previous years and in the period ended at 31 March 2014, were as follows:



	Sonaecom shares	Sonae SGPS shares	Zon Optimus SGPS shares	Total
Costs recognised in previous years	2,905,435	3,376,254	399,083	6,680,772
Costs recognised in the period	57,543	31,118	23,626	112,288
Impacto da conversão	(531,505)	1,697,475	-	1,165,969
Costs of plans vested in previous years	(2,431,473)	(3,112,960)	-	(5,544,433)
Costs of plans vested in the period	-	(332,631)	-	(332,631)
Responsability of plans	455,229	2,639,818	422,709	3,517,756
Fair value of hedging contracts (1)	(455,229)	(980,562)	-	(1,435,791)
Recorded in cash and cash equivalents (2)	-	-	(43,048)	(43,048)
Recorded in other current liabilities	-	1,505,432	232,108	1,737,540
Recorded in other non current liabilities	-	153,824	233,649	387,473
Recorded in reserves	-	-	-	-

(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.

At 10 March 2014, Sonaecom shares plans were fully converted into shares Sonae SGPS. This conversion was based on the terms of trade set out in the Tender Offer at 20 February 2014, referred to in Note 12, to determine the fair value of the plans and, based on the share prices Sonae SGPS. Therefore, it was determined the number of shares to be delivered to Sonae SGPS employees. The liability relating to the period of each plan on the date of conversion (EUR 1,582,389) was recognized under 'Other current liabilities' and 'Other non current liabilities' by hand 'equity in accordance with the provisions of IFRS 2.

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'.

These financial statements were approved by the Board of Directors on 12 May 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 March 2014, the related parties of Sonaecom, SGPS, S.A. are as follows

Key management personnel - Sonaecom	
Ângelo Gabriel Ribeirinho dos Santos Paupério António Bernardo Aranha da Gama Lobo Xavier	Maria Cláudia Teixeira de Azevedo
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
Sonaecom Group Companies	
Cape Technologies Limited Digitmarket – Sistemas de Informação, S.A. Mainroad – Serviços em Tecnologias de Informação, S.A. Miauger – Organização e Gestão de Leilões Electrónicos., S.A. PCJ - Público, Comunicação e Jornalismo, S.A. Praesidium Services Limited Público – Comunicação Social, S.A. Saphety Brasil Transações Eletrônicas Ltda. Saphety – Transacciones Electronicas SAS Saphety Level– Trusted Services, S.A. Sonaecom – Sistemas Informação, SGPS, S.A. Sonaecom – Sistemas de Información España, S.L. Sonaecom BV Sonaecom, SGPS, S.A. Sonaecom - Serviços Partilhados, S.A.	Sonaetelecom BV Tecnológica Telecomunicações LTDA. WeDo do Brasil – Soluções Informáticas, Ltda WeDo Consulting – Sistemas de Informação, S.A. WeDo Technologies Mexico, S de R.L. We Do Technologies Panamá S.A. WeDo Poland Sp. Z.o.o. We Do Technologies Singapore PTE. LTD. WeDo Technologies Australia PTY Limited WeDo Technologies Egypt LLC WeDo Technologies (UK) Limited WeDo Technologies Americas, Inc. WeDo Technologies BV WeDo Technologies BV – Sucursal Malaysia



Sonae/Efanor/Zon Group Companies

3shoppings - Holding,SGPS, S.A	Bloco Q-Sociedade Imobiliária,SA
ADD Avaliações Eng. A.e Pericias, Ltda	Bloco W-Sociedade Imobiliária,SA
Adlands B.V.	BOM MOMENTO - Restauração, S.A.
Aegean Park,SA	Canasta-Empreendimentos Imobiliários,SA
Agepan Eiweiler Management GmbH	Carnes do Continente-Ind.Distr.Carnes,SA
Agepan Tarket Lamine Park GmbH Co. KG	Casa da Ribeira - Hotelaria e Turismo,SA
Aglom Investimentos, Sgps, S.A.	Cascaishopping- Centro Comercial, S.A.
Aglom-Soc.Ind.Madeiras e Aglom.,SA	Cascaishopping Holding I, SGPS, S.A.
Airone - Shopping Centre, Srl	CCCB Caldas da Rainha-Centro Com., SA
ALEXA Administration GmbH	Centro Colombo- Centro Comercial, S.A.
ALEXA Holding GmbH	Centro Residencial da Maia,Urb.,SA
ALEXA Shopping Centre GmbH	Centro Vasco da Gama-Centro Comercial,SA
Algarveshopping- Centro Comercial, S.A.	Chão Verde-Soc.Gestora Imobiliária,SA
Aqualuz - Turismo e Lazer, Lda	Cinclus Imobiliária,SA
Arat Inmuebles, S.A.	Citorres-Sociedade Imobiliária,SA
ARP Alverca Retail Park, SA	Coimbrashopping- Centro Comercial, S.A.
Arrábidasshopping- Centro Comercial, S.A.	Colombo Towers Holding, BV
Aserraderos de Cuellar,SA	Contacto Concessões, SGPS, S.A.
Atlantic Ferries-Tráf.Loc.Flu.e Marít,SA	Contibomba-Comérc.Distr.Combustíveis,SA
Avenida M-40 B.V.	Contimobe-Imobil.Castelo Paiva,SA
Azulino Imobiliária, S.A.	Continente Hipermercados, S.A.
BA Business Angels, SGPS, SA	Country Club da Maia-Imobiliária,SA
BA Capital, SGPS	Craiova Mall BV
BB Food Service, SA	Cronosaúde - Gestão Hospitalar, S.A.
Be Artis-Conc.,Const.e Gest.Redes Com,SA	Cumulativa - Sociedade Imobiliária, S.A.
Be Towering-Gestão de Torres de Telec,SA	Darbo SAS
Beeskow Holzwerkstoffe	Discovery Sports, SA
Beralands BV	Distodo Distribui e Logist,Lda
Bertimóvel - Sociedade Imobiliária, S.A.	Dortmund Tower GmbH
BIG Picture 2 Films	Dos Mares - Shopping Centre B.V.



Sonae/Efanor/Zon Group Companies

Dos Mares-Shopping Centre, S.A.	Imoarea - Invest. Turísticos, SGPS, SA
Dreamia, B.V	IMOBELTY, S.A.
Dreamia, Serv de Televisão, SA	Imobiliária da Cacela, S.A.
Ecociclo - Energia e Ambiente, SA	Imoclub-Serviços Imobiliários,SA
Ecociclo II	Imoconti- Soc.Imobiliária,SA
Edições Book.it, S.A.	Imodiv - Sociedade Imobiliária, S.A.
Efanor Investimentos, SGPS, S.A.	Imoestrutura-Soc.Imobiliária,SA
Efanor Serviços de Apoio à Gestão, S.A.	Imohotel-Emp.Turist.Imobiliários,SA
Empracine-E.Pro.Act. Cinem,Lda	Imomuro-Sociedade Imobiliária,SA
Empreend.Imob.Quinta da Azenha,SA	Imopenínsula - Sociedade Imobiliária, SA
Equador & Mendes,Lda	Imoplamac Gestão de Imóveis,SA
Estação Viana - Centro Comercial, S.A.	Imoponte-Soc.Imobiliaria,SA
Estêvão Neves-Hipermercados Madeira,SA	Imoresort - Sociedade Imobiliária, S.A.
Euroresinas-Indústrias Químicas,SA	Imoresultado-Soc.Imobiliaria,SA
Farmácia Selecção, SA	Imosedas-Imobiliária e Seviços,SA
Fashion Division Canárias, SL	Imosistema-Sociedade Imobiliária,SA
Fashion Division, S.A.	Impaper Europe GmbH
FINSTAR-Socied.Investim.Par SA	Implantação - Imobiliária, S.A.
Fozimo-Sociedade Imobiliária,SA	Infocfield-Informática,SA
Fozmassimo - Sociedade Imobiliária, SA	Inparsa - Gestão Galeria Comercial, SA
Freccia Rossa- Shopping Centre S.r.l.	Inparvi SGPS, SA
Fundo de Invest. Imobiliário Imosede	Integrum - Energia, SA
Fundo Esp.Inv.Imo.Fec. WTC	Integrum Colombo Energia, SA
Fundo I.I. Parque Dom Pedro Shop.Center	Integrum Martim Longo - Energia, S.A.
Fundo Invest. Imobiliário Imosonae Dois	Integrum Vale do Caima - Energia, SA
Fundo Invest.Imob.Shopp.Parque D.Pedro	Integrum Vale do Tejo - Energia, SA
Gaiashopping I- Centro Comercial, S.A.	Interlog-SGPS,SA
Gaiashopping II- Centro Comercial, S.A.	Invesaude - Gestão Hospitalar S.A.
GHP GmbH	Ioannina Develop. of Shopping Centers SA
Gli Orsi Shopping Centre 1 Srl	Isoroy SAS
Glunz AG	La Farga - Shopping Center, SL
Glunz Service GmbH	Land Retail B.V.
Glunz UK Holdings Ltd	Larim Corretora de Resseguros, Ltda
Glunz Uka GmbH	Larissa Develop. of Shopping Centers, SA
Golf Time-Golfe e Invest. Turísticos, SA	Lazam MDS Corretora e Adm. Seguros, SA
Guimarãesshopping- Centro Comercial, S.A.	Le Terrazze - Shopping Centre 1 Srl
Harvey Dos Iberica, S.L.	Libra Serviços, Lda.
Herco Consul.Riscos Corret.Seguros, Ltda	Loop 5 - Shopping Centre, GmbH
Herco, Consultoria de Risco, S.A.	Lusomundo Audiovisuais, SA
HighDome PCC Limited	Lusomundo Cinemas, SA
Iberian Assets, SA	Lusomundo Espanha, SL
Igimo-Sociedade Imobiliária,SA	Lusomundo Imobiliária 2, SA
Iginha-Sociedade Imobiliária,SA.	Lusomundo Moçambique, Lda



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Lusomundo Soc. Inv. Imob. SA	Pareuro, BV
Luz del Tajo - Centro Comercial S.A.	Park Avenue Develop. of Shop. Centers SA
Luz del Tajo B.V.	Parklake Shopping Srl
Madeirashopping- Centro Comercial, S.A.	Parque Atlântico Shopping - C.C., SA
MaiaShopping- Centro Comercial, S.A.	Parque D. Pedro 1 B.V.
Maiequipa-Gestão Florestal,SA	Parque de Famalicão - Empr. Imob., S.A.
Marcas do Mundo-Viag. e Turismo Unip,Lda	Parque Principado SL
Marcas MC, ZRT	Pátio Boavista Shopping Ltda.
Marina de Tróia S.A.	Pátio Campinas Shopping Ltda
Marinamagic-Expl.Cent.Lúdicos Marít,Lda	Pátio Goiânia Shopping Ltda
Marmagno-Expl.Hoteleira Imob.,SA	Pátio Londrina Empreend.e Particip.Ltda
Martimope-Empreendimentos Turísticos, SA	Pátio Penha Shopping Ltda.
Marvero-Expl.Hoteleira Imob.,SA	Pátio São Bernardo Shopping Ltda
MDS Affinity-Sociedade de Mediação Lda	Pátio Sertório Shopping Ltda
MDS Africa SGPS, S.A.	Pátio Uberlândia Shopping Ltda
MDS Auto - Mediação de Seguros, SA	Peixes do Continente-Ind.Dist.Peixes,SA
MDS Corretor de Seguros, SA	Per-Mar-Sociedade de Construções,SA
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	Plaza Eboli - Centro Comercial S.A.
MJLF-Empreendimentos Imobiliários, SA	Plaza Mayor Holding, SGPS, S.A.
Modalfa-Comércio e Serviços,SA	Plaza Mayor Parque de Ócio B.V.
MODALLOOP - Vestuário e Calçado, SA	Plaza Mayor Parque de Ocio,SA
Modelo - Dist.de Mat. de Construção,S.A.	Plaza Mayor Shopping B.V.
Modelo Continente Hipermercados,SA	Plaza Mayor Shopping, SA
Modelo Continente International Trade,SA	Poliface North America
Modelo Hiper Imobiliária,SA	Porturbe-Edifícios 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 BV	Prédios Privados Imobiliária,SA
Norte Shop. Retail and Leisure Centre BV	Predisedas-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 B.V.



Sonae/Efanor/Zon Group Companies

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 Investimentos Brasil Ltda
Project Sierra Spain 3-Centro Comer. SA	Sierra Investments (Holland) 1 B.V.
Project Sierra Two Srl	Sierra Investments (Holland) 1 B.V.
Promessa Sociedade Imobiliária, S.A.	Sierra Investments (Holland) 2 B.V.
Quorum Corretores de Seguros Ltda	Sierra Investments (Holland) 2 B.V.
Racionaliz. y Manufact.Florestales,SA	Sierra Investments Holding B.V.
Raso - Viagens e Turismo, S.A.	Sierra Investments Holding B.V.
Raso, SGPS, SA	Sierra Investments SGPS, S.A.
River Plaza BV	Sierra Investments SGPS, S.A.
River Plaza Mall, Srl	Sierra Italy Holding B.V.
Rochester Real Estate,Limited	Sierra Italy Holding B.V.
RSI Corretora de Seguros, Ltda	Sierra Italy Srl
S.C. Microcom Doi Srl	Sierra Management Germany GmbH
Saúde Atlântica - Gestão Hospitalar, SA	Sierra Management Italy S.r.l.
SC Aegean B.V.	Sierra Management Romania, Srl
SC Assets SGPS, SA	Sierra Management Spain – Gestión C.Com.SA.
SC Finance BV	Sierra Management, SGPS, S.A.
SC Mediterranean Cosmos B.V.	Sierra Management, SGPS, S.A.
SC, SGPS, SA	Sierra Portugal, S.A.
SC-Consultadoria,SA	Sierra Portugal, SA
SC -Eng. e promoção imobiliária,SGPS,S.A	Sierra Property Management Greece, SA
SCS Beheer,BV	Sierra Romania Sh. Centers Services Srl
SDSR - Sports Division 2, S.A.	Sierra Services Holland B.V.
SDSR - Sports Division SR, S.A.	Sierra Solingen Holding GmbH
Selifa-Empreendimentos Imobiliários,SA	Sierra Spain 2 Services, S.A.
Sempre à Mão - Sociedade Imobiliária,SA	Sierra Spain, Shop. Centers Services, SL
Sesagest-Proj.Gestão Imobiliária,SA	Sierra Zenata Project B.V.
Sete e Meio - Invest. Consultadoria, SA	SII – Soberana Invest. Imobiliários, S.A.
Sete e Meio Herdades-Inv. Agr. e Tur.,SA	SII - Soberana Invest. Imobiliários, SA
Shopping Centre Colombo Holding, BV	SIRS – Sociedade Independente de Radiodifusão Sonora, S.A.
Shopping Centre Parque Principado B.V.	SISTAVAC, S.A.
SIAL Participações, Lda	SISTAVAC, S.A.
Sierra Asia Limited	SISTAVAC, SGPS, S.A.
Sierra Berlin Holding BV	SISTAVAC-Sistemas HVAC-R do Brasil, Ltda
Sierra Brazil 1 B.V.	SKK – Central de Distr., S.A.
Sierra Central S.A.S.	SKK SRL
Sierra Developments Holding B.V.	SKK SRL



Sonae/Efanor/Zon Group Companies

SKK-Central de Distr.,SA	Sonae Indústria - Management Services,SA
SKKFOR - Ser. For. e Desen. de Recursos	Sonae Indústria - SGPS, S.A.
SKKFOR - Ser. For. e Desen. de Recursos	Sonae Industria (UK),Ltd
Soc.Inic.Aproveit.Florest.-Energias,SA	Sonae Industria de Revestimentos, S.A.
Sociedade de Construções do Chile, S.A.	Sonae Industria de Revestimentos,SA
Sociedade Independente de Radiodifusão Sonora, S.A.	Sonae Indústria Manag. Serv, SA
Société de Tranchage Isoroy S.A.S.	Sonae Indústria-SGPS,SA
Société de Tranchage Isoroy SAS.	Sonae Investimentos, SGPS, SA
Socijofra - Sociedade Imobiliária, S.A.	Sonae Investimentos, SGPS, SA
Socijofra-Sociedade Imobiliária,SA	Sonae Investments,BV
Sociloures - Soc.Imobiliária, S.A.	Sonae MC - Modelo Continente, SGPS, SA
Sociloures-Soc.Imobiliária,SA	Sonae Novobord (PTY) Ltd
Soconstrução BV	Sonae Novobord (PTY) Ltd
Soconstrução BV	Sonae RE, S.A.
Sodesa, S.A.	Sonae RE, S.A.
Soflorin, BV	Sonae Retalho Espana-Servicios Gen.,SA
Soflorin,BV	Sonae SGPS, SA
Soira - Soc.Imobiliária de Ramalde, S.A.	Sonae Sierra Brasil SA
Soira-Soc.Imobiliária de Ramalde,SA	Sonae Sierra Brazil B.V.
Solinca - Eventos e Catering, SA	Sonae Sierra, SGPS, S.A.
Solinca - Health & Fitness, SA	Sonae Tafibra Benelux, BV
Solinca - Health and Fitness, SA	Sonae Turismo-SGPS,SA
Solinca - Investimentos Turísticos, S.A.	SONAECENTER SERVIÇOS, SA
Solinca-Investimentos Turísticos,SA	Sonaegest-Soc.Gest.Fundos Investimentos
Solinfitness - Club Malaga, S.L.	Sonaerp - Retail Properties, SA
Solinfitness - Club Malaga, S.L.	Sondis Imobiliária,SA
Solingen Shopping Center GmbH	Sontaria-Empreend.Imobiliários,SA
Solingen Shopping Center GmbH	Sontel BV
SOLSWIM-Gestão e Expl.Equip.Aquáticos,SA	Sontur BV
SOLSWIM-Gestão e Expl.Equip.Aquáticos,SA	Sonvecap BV
Soltroia - Imob.de Urb.Turismo de Tróia, S.A.	Sopair, S.A.
Soltroia-Imob.de Urb.Turismo de Tróia,SA	Sótaqua - Soc. de Empreendimentos Turist
Somit Imobiliária	Spanboard Products,Ltd
Somit Imobiliária,SA	SPF- Sierra Portugal
SONAE - Specialized Retail, SGPS, SA	Spinarq Moçambique, Lda
Sonae - Specialized Retail, SGPS, SA	Spinarq-Engenharia,Energia e Ambiente,SA
Sonae Capital Brasil, Lda	Spinveste - Promoção Imobiliária, SA
Sonae Capital Brasil, Lda	Spinveste-Gestão Imobiliária SGII,SA
Sonae Capital, SGPS, SA	Sport TV Portugal, SA
Sonae Capital,SGPS, S.A.	Sport Zone Canárias
Sonae Center II S.A.	Sport Zone España-Com.Art.de Deporte,SA
Sonae Center Serviços II, SA	Sport Zone Turquia
Sonae Center Serviços, S.A.	Spred, SGPS, SA
Sonae Ind., Prod. e Com.Deriv.Madeira, S.A.	Tableros Tradema,S.L.
Sonae Ind., Prod. e Com.Deriv.Madeira,SA	Tafiber,Tableros de Fibras Ibéricas,SL



Sonae/Efanor/Zon Group Companies

Tafibra Suisse, SA	Urbisedas-Imobiliária das Sedas,SA
Tafisa Canadá Societé en Commandite	Valecenter Srl
Tafisa Développement	VALORN, S.A.
Tafisa France, SA	Via Catarina- Centro Comercial, S.A.
Tafisa Investissement	Viajens y Turismo de Geotur España, S.L.
Tafisa Participation	Vistas do Freixo-Emp.Tur.Imobiliários,SA
Tafisa UK,Ltd	Vuelta Omega, S.L.
Tafisa-Tableros de Fibras, SA	Weierstadt Shopping BV
Taiber,Tableros Aglomerados Ibéricos,SL	World Trade Center Porto, S.A.
Tecmasa Recicladors de Andalucía, 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.
TLANTIC B.V.	ZIPPY - Comércio e Distribuição, SA
Tlantic Portugal-Sist. de Informação, SA	Zippy 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	ZON Finance BV
Torre São Gabriel-Imobiliária,SA	ZON III-COMUNICAÇ ELETRÓN SA
Troia Market-Supermercados, S.A.	ZON II-SERVIÇOS TELEVISÃO,SA
Troia Natura, S.A.	Zon Lusomundo TV Lda
Troiareort-Investimentos Turísticos, SA	ZON OPTIMUS, SGPS, S.A.
Troiaverde-Expl.Hoteleira Imob.,SA	Zon TV Cabo Açoreana, SA
Tulipamar-Expl.Hoteleira Imob.,SA	Zon TV Cabo Madeirense, SA
Unipress – Centro Gráfico, Lda	Zon TV Cabo SGPS SA
Unishopping Administradora Ltda.	Zon TV Cabo, SA
Unishopping Consultoria Imob. Ltda.	Zubiarte Inversiones Inmob,SA
Upstar Comunicações SA	ZYEVOOLUTION-Invest.Desenv.,SA

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Report available on Sonaecom's corporate website
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