

RESULTS ANNOUNCEMENT

1Q15



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. Main Highlights

Turnover growth of 16.0% with SSI international markets representing 54.1%.

Underlying EBITDA decreased by 10.4%, despite having increased by 36.2% on a L-f-L basis.

Net income of 21.3 million euros, three times above 1Q14.

Cash position of 168.7 million euros at the end of the quarter.

2. Sonaecom Consolidated Results

Turnover

Consolidated turnover in 1Q15 reached 32.0 million euros, increasing 16.0% when compared to 1Q14, or 7.3% excluding S21Sec contribution¹. This growth was achieved through a 19.9% increase in sales, but also through a significant increase of 14.4% in service revenues. Excluding S21Sec contribution, Service Revenues increased by 3.4%.

Operating costs

Operating costs amounted to 31.3 million euros, 17.7% above 1Q14, with all lines increasing. Personnel costs increased 16.9% driven by a 20.8% increase in the number of employees. Commercial costs grew 26.3% to 8.7 million euros, driven by SSI increase in cost of goods sold, aligned with sales evolution. The evolution in other operating costs is mainly explained by outsourcing and G&A at S21Sec.

EBITDA

Total EBITDA stood at 6.2 million euros, down by 4.4% when compared to 1Q14, as a result of underlying EBITDA that decreased by 10.4%. The equity results increased 0.4% and were mostly impacted by ZOPT contribution, which in turn depends on NOS net income evolution. On what concerns the underlying EBITDA, it stood at 1.1 million euros, corresponding to a margin of 3.6%, which compares to 4.6% in 1Q14. Excluding S21Sec contribution, underlying EBITDA increased by 36.2%.

Net results

Sonaecom's EBIT decreased 17.7% to 4.3 million euros, explained by the lower EBITDA and the higher level of depreciations, fully explained by S21Sec.

Net financial results reached 17.5 million euros in 1Q15, positively impacted by the adjustment of NOS fair value at market price in the amount of 16.6 million euros. In 1Q14, the adjustment of NOS fair value was also positive by 2.0 million euros.

Sonaecom's earnings before tax (EBT) increased to 21.8 million euros, fully driven by the higher net financial results.

Net results group share stood at 21.3 million euros, which compares with 7.2 million euros in 1Q14.

Operating CAPEX

Sonaecom's underlying operating CAPEX increased from 1.5 million euros to 1.8 million euros, reaching 5.6% of Turnover, the same level of 1Q14.

Capital structure

Gross debt totalled 11.5 million euros, versus 26.7 million euros in 1Q14. The reported Gross debt includes S21Sec total Gross debt. We highlight that Sonaecom holds a 60% stake in S21Sec.

Net debt reached a very comfortable negative 168.7 million euros, i.e., a positive cash position.

¹ S21Sec was acquired on July 2014 and is consolidated at Sonaecom since August 2014.



2.1 Software and Systems Information (SSI)

After an active year, consistent with its active portfolio management strategy, Sonaecom's SSI division is currently composed by four companies in the IT/IS sector, focused on international expansion. Those companies generated circa 54.1% of its revenues outside the Portuguese market and 44% of the total 863 employees are located outside Portugal.

WeDo Technologies is a worldwide market leader in enterprise business assurance, which works with some of the world's leading blue chip companies from the retail, energy and finance industries, as well as more than 190 telecommunications operators from more than 90 countries.

After, being named, in 2014, by Strategist (Frost & Sullivan) as the worldwide leader in Financial Assurance area, which comprises: Revenue Assurance, Fraud Management and Margin Assurance, WeDo technologies now was elected by Analysys Mason, a TMT (telecoms, media and technology) analyst firm, as the worldwide market leader in the Revenues Assurance and Fraud Management software space.

In February 2015, WeDo was present in the Mobile World Congress in Barcelona, where it revealed details of its new RAID telecom software solution, as part of the re-defined RAID Enterprise Business Assurance (EBA) family. It should also be highlighted that during 1Q15, the company has won two new telco customers in USA and Mexico and one in the energy sector in Portugal, which clearly reflects the company's growth in enterprise business assurance market, both in Portugal and abroad. At the end of 1Q15, 76.5% of its turnover was generated in the international market and almost 12% in non-telco segments.

S21Sec is a multinational based in Spain, specialized in cyber security services and technologies, with the purpose of protecting organizations more critical and high-value digital assets: data, operations and corporate image. With its own products and platforms the company acts with a special focus on antifraud and e-crime in various segments like government, financial entities, telecommunications, energy and other critical infrastructures.

S21Sec is under a turnaround process and is already giving positive signs with relevant achievements in the 1Q15. A memorandum of understanding was signed with Europol, being the first Spanish company to do that. The two organizations will now exchange knowledge and expertise on cybercrime, and will cooperate to combat online fraud and make the Internet a safer space. It was closed the first project MOOC (Massive Open Online Courses), about cybersecurity, with INCIBE (national institute of cybersecurity in Spain). Some important contracts were won in different sectors (financial, insurance, tourism, energy and industrial companies) and with different kind of services (from SOC to audit, digital fraud and forensic analysis). It is also important to highlight, the participation in various important events of the segment (Homesecc in Spain, ETIS information security WG Meeting and IDC event dedicated to cybersecurity in the financial segment).

Saphety has a strong position in EDI (Electronic Data Interchange), optimisation of business processes and data and multimedia synchronization for GS1 worldwide organisations. The quarter was marked by a significant improvement on revenues and profitability coupled with a good commercial activity: 177 new customers and some important contracts including GS1 Egypt, Essilor and Sodexia. Saphety's customer base has now over 8,200 customers and 100,000 users in about 20 countries worldwide. Importantly, international revenues more than doubled when compared to 1Q14 and represented 32.0% of revenues.

On what concerns **Bizdirect**, the improvement recorded in the IT hardware and software investment, coupled with a positive performance in the new solutions area, enabled Bizdirect to increase its turnover by 23.0% in 1Q15. The Competence Center launched in Viseu to respond to the growing demand for projects in the areas of CRM (Customer Relationship Management) and ECM (Enterprise Content Management), continued to deliver projects and is growing its notoriety in the European market. International revenues increased significantly and represented 12.8% of total Turnover.

Financial indicators

Million euros					
SSI CONSOLIDATED INCOME STATEMENT	1Q14 ^(R)	1Q15	Δ 15/14	4Q14	q.o.q.
Turnover	23.6	28.3	20.2%	27.8	1.8%
Service Revenues	18.0	20.9	16.1%	20.8	0.7%
Sales	5.6	7.4	33.5%	7.1	4.9%
Other Revenues	0.2	0.4	109.1%	0.5	-16.2%
Operating Costs	21.1	26.6	26.1%	24.8	7.5%
Personnel Costs	7.6	9.7	27.6%	9.3	4.2%
Commercial Costs ⁽¹⁾	5.6	7.7	36.0%	6.2	24.2%
Other Operating Costs ⁽²⁾	7.9	9.2	17.4%	9.3	-0.5%
EBITDA	2.8	2.1	-26.3%	3.5	-40.5%
Underlying EBITDA ⁽³⁾	2.6	2.1	-20.4%	3.5	-40.6%
Discontinued Operations ⁽⁴⁾	0.2	0.0	-100.0%	0.0	-
Underlying EBITDA Margin (%)	11.2%	7.4%	-3.8pp	12.7%	-5.3pp
Operating CAPEX ⁽⁵⁾	1.4	1.6	15.8%	1.8	-9.3%
Operating CAPEX as % of Turnover	6.0%	5.8%	-0.2pp	6.5%	-0.7pp
Underlying EBITDA - Operating CAPEX	1.2	0.5	-62.3%	1.7	-73.3%
Total CAPEX	1.4	1.6	15.8%	1.8	-9.3%

(1) Commercial Costs = COGS + Mktg & Sales; (2) Other Operating Costs = Outsourcing Services + G&A + Provisions + others;

(3) Includes the businesses fully consolidated by SSI; (4) Includes Mainroad contribution until the sale and the capital gain;

(5) Operating CAPEX excludes Financial Investments; (R) The values were restated in order to reflect Sonaecom structure after Mainroad sale.

Turnover

Turnover continued to benefit from the international expansion of SSI companies and the active portfolio management, growing 20.2% y.o.y., to 28.3 million euros. Service Revenues increased 16.1% to 20.9 million euros, while Sales increased by 33.5% to 7.4 million euros.

Excluding S21Sec contribution in 1Q15, SSI turnover would have increased by 10.0% and Service Revenues by 4.1%.

Operating costs

Operating costs increased 26.1%, reaching 26.6 million euros, impacted mostly by higher commercial costs but also by higher staff costs and other operational costs. Staff costs increased 27.6% driven by a 25% growth in the number of employees (from 692 to 863). Commercial costs increased 36.0% when compared to 1Q14, to 7.7 million euros, driven by a higher cost of goods sold, aligned with the higher level of sales. Other operating costs increased 17.4% explained by the enlarged portfolio, namely S21Sec.

EBITDA

Total EBITDA declined 26.3%, explained by discontinued operations in the 1Q14 but also by the decrease of underlying EBITDA.

Underlying EBITDA reached 2.1 million euros, falling 20.4% y.o.y., and reaching a margin of 7.4%.

Excluding S21Sec, EBITDA increased by 5.9% and reached a 10.8% margin.

Underlying EBITDA-operating CAPEX

Underlying EBITDA-operating CAPEX stood at 0.5 million euros, decreasing 62.3% when compared to 1Q14, explained by the lower level of EBITDA and the higher level of CAPEX.

2.2 Media

During the 1Q15, Público newspaper celebrated its 25th anniversary with a free special edition. Turnover reached 3.7 million euros, representing a slight increase when compared to 1Q14. The growth at online advertising revenues compensated the decline at offline advertising revenues and online subscriptions continued to present a good performance contributing significantly to the circulation. It should be noted that, according to APCT, Público was the only daily generalist newspaper that presented positive evolution at paid circulation in 2014 and, in 2015 Público received 4 awards, of which a special mention in the category of best news site by the European Digital Media Awards, fighting for the 1st place with *The Guardian*. EBITDA, despite negative, increased 15.9% to negative 0.7 million euros.

2.3 NOS

NOS operating revenues were 344.1 million euros in 1Q15, growing 2.0% y.o.y. EBITDA reached 127.9 million euros, decreasing 1.5% when compared to 1Q14 and representing a 37.2% EBITDA margin. Recurrent CAPEX amounted to 68.2 million euros in 1Q15, an increase of 29.3% y.o.y. As a consequence of EBITDA and CAPEX evolution, EBITDA-Recurrent CAPEX decreased 22.6%.

Net Financial Debt to EBITDA stood at 2.0x at the end of 1Q15 and the average maturity of the company's net financial debt reached 3.3 years.

NOS published its 1Q15 results on 7th may, 2015, which are available at www.nos.pt.

During 1Q15, the NOS share price increased 28.7% from €5.236 to €6.741, whilst PSI20 increased its market capitalisation by 24.4%.

Operational Indicators

Operational Indicators ('000)	1Q14	1Q15	Δ 15/14	4Q14	q.o.q.
Total RGUs	7 215.2	7 761.8	7.6%	7 610.5	2.0%
Convergent RGUs	555.8	2 194.5	-	1 853.3	18.4%
IRIS subscribers	498.6	742.6	49.0%	693.6	7.1%
3,4 and 5P subscribers	808.8	878.1	8.6%	851.6	3.1%

Financial indicators

Million euros					
NOS HIGHLIGHTS	1Q14	1Q15	Δ 15/14	4Q14	q.o.q.
Operating Revenues	337.3	344.1	2.0%	353.8	-2.7%
EBITDA	129.9	127.9	-1.5%	113.5	12.7%
EBITDA margin (%)	38.5%	37.2%	-1.3pp	32.1%	5.1 pp
Net Income	25.3	23.2	-8.0%	12.3	89.1%
CAPEX	56.7	94.3	66.5%	142.5	-33.8%
EBITDA-CAPEX	73.2	33.6	-54.2%	-29.0	-
RECURRENT CAPEX	52.7	68.2	29.3%	83.2	-18.0%
EBITDA-RECURRENT CAPEX	77.1	59.7	-22.6%	30.3	96.8%



3. Subsequent events

On 20 April 2015, at the company's Annual General Meeting, Sonaecom's shareholders decided the following:

1. To approve the Company's Annual Report and the Individual and Consolidated Accounts for the year ended 31 December 2014;
2. To approve the Board of Directors proposal to allocate the net income of Sonaecom Individual accounts, in the amount of 5,820,800.19 euros as follows:
 - a. 291,040.01 euros to legal reserves;
 - b. 5,529,760.18 euros is paid to shareholders;

It was also approved that the total amount of 8,449,354.32 euros, from other reserves, is also paid to shareholders. Considering that it will not be possible to determine precisely the number of own shares that will be held by the company on the date of the abovementioned payment, without limiting the company's capacity for intervention, it was highlighted the following:

- To each share issued will be paid the gross amount of 0.045 euros;
 - The amount corresponding to the shares that belong to the Company itself on the day of the payment of the abovementioned amount (calculated on said unit amount of 0.045 euros per issued share) will not be paid to shareholders, but will instead be maintained in other reserves;
3. To approve a vote of appreciation and confidence in the work performed by the Board of Directors, Statutory Audit Board and Statutory External Auditor of Sonaecom, SGPS, S.A., during the year ended 31 December 2014;
 4. To approve an amendment of the Company's Articles of Association adding a number 2 to article 33;
 5. To approve the Remuneration Policy adopted for the members of the Statutory Governing Bodies and for Persons Discharging Managerial Responsibilities ("Dirigentes"), as well as Sonaecom's shares attribution plan, and respective Regulations to be applied by the Remuneration Committee, under the proposal previously disclosed;
 6. To authorise the Board of Directors, over the next 18 months, to purchase and sale of own shares up to the legal limit of 10% as per the terms of the proposal presented by that body and previously disclosed;
 7. To authorise the Board of Directors, over the next 18 months, and under the terms of Paragraph 2 of Article 325-B of Portuguese Company Law, the purchase and holding of shares of the Company by its controlled companies, as per the terms of the proposal presented by that body and previously disclosed.

4. Appendix

Consolidated income statement

Million euros

CONSOLIDATED INCOME STATEMENT	1Q14 ^(R)	1Q15	Δ 15/14	4Q14	q.o.q.
Turnover	27.5	32.0	16.0%	32.1	-0.6%
Service Revenues	19.5	22.4	14.4%	22.7	-1.7%
Product Sales	8.0	9.6	19.9%	9.4	2.1%
Other Revenues	0.3	0.5	52.3%	0.6	-19.8%
Operating Costs	26.6	31.3	17.7%	29.9	4.7%
Personnel Costs	10.4	12.2	16.9%	11.9	2.2%
Commercial Costs ⁽¹⁾	6.9	8.7	26.3%	7.5	16.6%
Other Operating Costs ⁽²⁾	9.3	10.4	12.3%	10.5	-1.0%
EBITDA	6.5	6.2	-4.4%	2.3	168.5%
Underlying EBITDA ⁽³⁾	1.3	1.1	-10.4%	2.8	-60.1%
Equity method ⁽⁴⁾	5.0	5.1	0.4%	-0.5	-
Discontinued Operations ⁽⁵⁾	0.2	0.0	-100.0%	0.0	-
Underlying EBITDA Margin (%)	4.6%	3.6%	-1.0pp	8.9%	-5.3pp
Depreciation & Amortization	1.2	1.9	51.2%	2.3	-18.2%
EBIT	5.2	4.3	-17.7%	0.0	-
Net Financial Results	2.3	17.5	-	4.6	-
Financial Income	3.0	18.0	-	0.4	-
Financial Expenses	0.7	0.5	-32.5%	-4.2	-
EBT	7.5	21.8	191.2%	4.6	-
Tax results	-0.3	-1.1	-	-0.3	-
Net Results	7.2	20.7	189.0%	4.3	-
Group Share	7.2	21.3	196.3%	4.9	-
Attributable to Non-Controlling Interests	0.0	-0.6	-	-0.6	10.1%

(1) Commercial Costs = COGS + Mktg & Sales Costs; (2) Other Operating Costs = Outsourcing Services + G&A + Provisions + others;

(3) Includes the businesses fully consolidated by Sonaecom

(4) Includes the 50% holding in Unipress, the 45% holding in SIRS, the 50% holding in S21Sec ciberseguridad, the 50% holding in Big Data and the 50% holding in ZOPT;

(5) Includes Mainroad contribution until the sale and the capital gain

(R) The values were adjusted in order to reflect, from 1 January 2014 onwards, Mainroad as a discontinued operation

Consolidated balance sheet

Million euros

CONSOLIDATED BALANCE SHEET	1Q14	1Q15	Δ 15/14	4Q14 ^(R)	q.o.q.
Total Net Assets	1 077.8	1 120.3	3.9%	1 095.8	2.2%
Non Current Assets	768.9	792.8	3.1%	792.5	0.0%
Tangible and Intangible Assets	22.4	28.9	29.0%	28.3	2.0%
Goodwill	28.4	29.1	2.2%	28.7	1.2%
Investments	713.0	728.0	2.1%	723.2	0.7%
Deferred Tax Assets	5.0	6.6	31.2%	6.8	-3.4%
Others	0.0	0.3	-	5.5	-94.5%
Current Assets	308.9	327.5	6.0%	303.4	8.0%
Trade Debtors	35.9	40.6	13.1%	40.0	1.4%
Liquidity	184.5	180.2	-2.3%	182.0	-1.0%
Others	88.6	106.7	20.5%	81.3	31.2%
Shareholders' Funds	997.5	1 047.3	5.0%	1 023.9	2.3%
Group Share	997.3	1 048.6	5.1%	1 024.5	2.3%
Non-Controlling Interests	0.2	-1.3	-	-0.6	-102.5%
Total Liabilities	80.3	73.0	-9.1%	72.0	1.4%
Non Current Liabilities	8.9	13.7	53.5%	13.2	3.6%
Bank Loans	4.9	9.4	93.8%	9.1	4.1%
Provisions for Other Liabilities and Charges	2.9	2.8	-3.3%	2.6	9.4%
Others	1.1	1.4	25.9%	1.6	-9.3%
Current Liabilities	71.4	59.3	-17.0%	58.8	0.9%
Loans	21.3	1.3	-93.7%	2.0	-32.0%
Trade Creditors	19.2	23.7	23.7%	21.6	10.0%
Others	31.0	34.3	10.6%	35.2	-2.7%
Operating CAPEX ⁽¹⁾	1.5	1.8	15.9%	2.2	-16.8%
Operating CAPEX as % of Turnover	5.6%	5.6%	0.0pp	6.7%	-1.1pp
Total CAPEX	4.1	1.8	-56.5%	2.2	-16.8%
Underlying EBITDA - Operating CAPEX	-0.3	-0.7	-134.5%	0.7	-
Gross Debt	26.7	11.5	-56.8%	11.8	-2.4%
Net Debt	-157.7	-168.7	-6.9%	-170.2	0.9%

(1) Operating CAPEX excludes Financial Investments.

(R) Under the Special Regime of Debt Adjustments to the Fiscal Authorities and Social Security (Decree Law No. 248-A/2002 and Decree Law No. 151-A/2013), Sonae and Sonae.com voluntarily made payments to the State relating to additional tax assessments of previous years, for which, at the time of such payments, both companies had already brought the corresponding judicial appeals, lying processes running under the relevant courts. These payments were recognized in assets, according to "IAS 12 - Income Taxes".

However, during the verification process of the 2012 accounts, CMVM disagreed with the interpretation of Sonae and requested the retrospective correction of the financial statements, arguing that the payments made in respect of other taxes than income tax should be considered as contingent assets. While not agreeing with the position of CMVM, Sonae and Sonae.com made the restatement of financial statements. The impact of this change is nil in the income statement and immaterial in the statement of financial position.

Consolidated levered FCF

Million euros

LEVERED FREE CASH FLOW	1Q14 ^(R)	1Q15	Δ 15/14	4Q14	q.o.q.
Underlying EBITDA-Operating CAPEX	-0.3	-0.7	-134.5%	0.7	-
Change in WC	1.2	-1.0	-	5.4	-
Non Cash Items & Other	0.4	-1.5	-	-1.4	-4.6%
Operating Cash Flow	1.3	-3.1	-	4.7	-
Investments	-2.6	0.0	100.0%	0.0	-
Dividends	0.0	0.0	-	0.0	-
Own shares	0.0	0.0	-	0.0	-
Financial results	-1.5	2.1	-	0.0	-
Income taxes	-0.2	-0.7	-	-0.1	-
FCF ⁽¹⁾	-2.9	-1.7	42.4%	4.6	-

(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 2014 onwards, Sonaecom structure following the Mainroad sale.

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

SAFE HARBOUR

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

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

Although these statements reflect our current expectations, which we believe are reasonable, investors, analysts and, generally, the recipients of this document are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond our control, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. You are cautioned not to put undue reliance on any forward-looking information or statements. We do not undertake any obligation to update any forward-looking information or statements.

Report available on Sonaecom's corporate website

www.sonae.com

Investor Relations Contacts

Investor.relations@sonae.com

Tlf: +351 22 013 23 49