Results Announcement

9M10

Note: The Consolidated Financial Information contained in this report is unaudited and is based on Financial Statements that have been prepared in accordance with International Financial Reporting Standards ("IAS/IFRS") issued by the International Accounting Standards Board ("IASB"), as adopted by the European Union.

Consolidated EBITDA growing to 149.0 million euros, +9.1% y.o.y.

Net Results of 29.7 million euros, circa 27 million euros above 9M09

Consolidated FCF growing y.o.y. to 9.4 million euros, from 3.2 million euros

Mobile Subscriber Base reaching 3.54 million customers, +6.4% versus 9M09

Steady Mobile Customer Revenues growth, to 349.3 million euros, +1.1% y.o.y.

Data Revenues representing 30.3% of Mobile Service Revenues, in the 3Q10

SSI growing internationally, with WeDo Technologies revenues abroad up by +22.6% y.o.y.

Message from Ângelo Paupério, CEO of Sonaecom

I am proud to announce that Sonaecom achieved another set of positive results in the first nine months of 2010. Not only were our figures consistent with our past performance, but we achieved them despite Portugal's deteriorating macroeconomic environment.

The strength of our results was supported by our telecoms strategy – leading a data future and the convergence of business segments; by SSI's international expansion; and by our superior execution, which involves continuously pursuing innovation while adapting our operating model towards a more cost-effective and leaner organization. Our performance also demonstrates the proven resilience of our activities, which was particularly evident in mobile communications.

Optimus: leading a mobile data future

Underpinned by its state-of-the-art network, Optimus recognises that mobile broadband is irreversibly becoming the dominant channel for communications, entertainment and information, while playing a key role in launching an abundance of impressive new services.

Our broad smartphone-based post-paid offer – including the "Optimus Boston" handset, the best-selling Android OS terminal in Portugal – and our mobile broadband offer, Kanguru, continued to fuel data growth. As a result, in 3Q10, our data service revenues as a percentage of service revenues continued their upward trend, increasing 2.3pp y.o.y. to 30.3%. Importantly, our competitive position in data is superior to our historical position in voice.

In the business segment, Optimus' operational and financial results continue to move in the right direction on the strength of its fully convergent and integrated portfolio. Noticeably, the number of customers subscribing to both mobile and fixed services has grown significantly in recent months, indicating the increasing relevance of convergence in the business segment.

Leading and shaping the customer experience is one of our key goals. In this context, it is worth highlighting that in August 2010, ICP-Anacom published a study indicating that Optimus achieved the highest y.o.y. improvement in quality of service indicators according to the *European Customer Satisfaction Index*. This placed us a close second behind the survey leader, in terms of absolute performance.

SSI: leveraging WeDo's worldwide leadership position

During 3Q10, service revenues at SSI continued to increase, although they were offset by the expected deceleration of the government's e-initiatives programme. This growth translated into a higher EBITDA margin, which evolved y.o.y. from 5.0% to 5.7%. This increase was achieved alongside WeDo Technologies' international expansion, which is designed to further leverage its worldwide leadership in the telecoms' revenue assurance market. In the first nine months of 2010, the volume of international revenues at WeDo Technologies grew by 22.6% compared to the previous year.

Our people aligned with our strategy

Every two years, we carry out an employee survey covering all our staff. Our aim is to assess our organizational social climate and implement targeted actions designed to address any potential issues identified by the survey.

I am particularly pleased with the high satisfaction levels registered in the various sections of our latest internal social climate assessment. Our people chose innovation as our principal attribute, while identifying customer satisfaction as our top priority, in line with Sonaecom's strategy.

Looking ahead

Amid serious uncertainty in the global financial markets, Sonaecom continued to reduce its consolidated net debt on the back of its sustained cash generation, further improving its capital structure with a net debt to EBITDA ratio of 1.5x and no need for refinancing expected until mid-2012.

What's more, we continued to exceed our goals having achieved a high single digit EBITDA growth in the first nine months of 2010. Even against the challenging Portuguese macroeconomic environment, we remain confident that we have defined the best strategy for our business and we have assembled the best team to execute it.

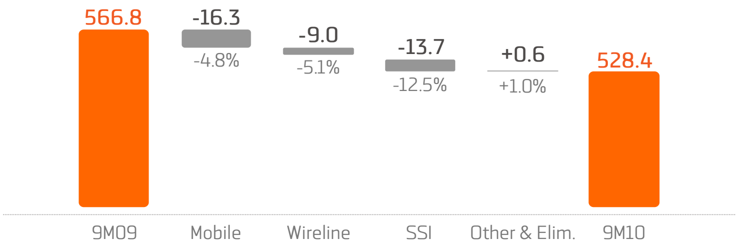
1. Consolidated Results

Turnover

Consolidated Turnover stood at 684.1 million euros, decreasing 4.5% on a y.o.y. basis. The increase in Mobile Customer Revenues and SSI Service Revenues was not sufficient to offset the combination between 12.4% lower Mobile operators (mostly due to lower MTRs and Roaming Revenues, as imposed by regulation), and 25.6% lower Product sales. The decrease in the level of Product Sales is mostly explained by the expected slowdown of the e-initiatives programme.

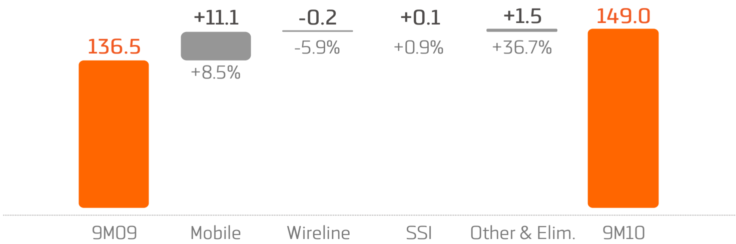
Operating Costs

Total Operating Costs decreased by 6.8% to 528.4 million euros, representing circa 77.2% of the Consolidated Turnover. It is worth highlighting that this is a positive outcome of our on-going cost control initiatives at the Telco unit. Aimed at creating a more cost effective and leaner organization, these measures pursue the creation of efficiencies across all our business divisions and support areas.



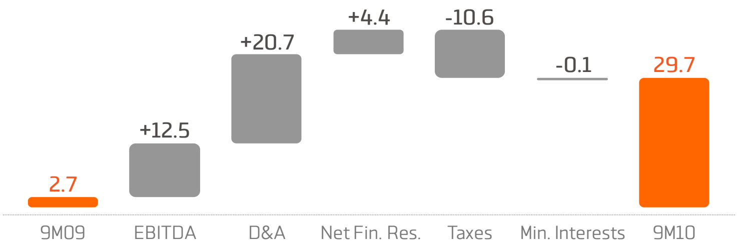
EBITDA

Consolidated EBITDA increased 9.1% in 9M10, to 149.0 million euros and Consolidated EBITDA margin stood at 21.8%, 2.7pp above the 9M09, clearly reflecting the positive effect of the cost control initiatives we have been implementing.



Net Profit

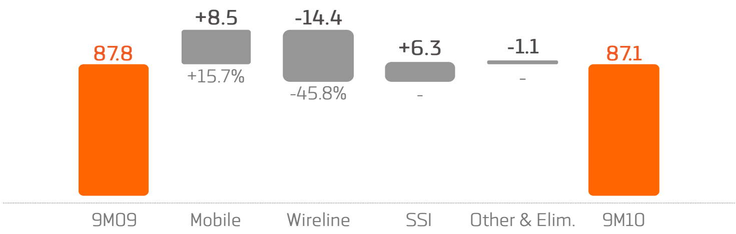
Sonaecom was able to sustain the trend of the previous quarters in terms of Net Results. 9M10 Net Results Group share was positive by 29.7 million euros, compared to 2.7 million euros in the 9M09, driven not only by the much improved EBITDA performance but also by the lower level of (i) Depreciation and Amortization; and (ii) Net financial Costs. Net Financial Results improved y.o.y. by 40.5%, to negative 6.5 million euros, mainly reflecting lower Financial Expenses, down by 4.4 million euros, due to the lower average Net Debt in the 9M10 and the decrease in the average cost of debt, as a reflection of movements in market rates.



The tax line in 9M10 showed a cost of 14.4 million euros, compared to a cost of 3.8 million euros in 9M09, driven mainly by the much improved EBT performance (from a positive 6.8 million to a positive 44.3 million euros).

Operating CAPEX

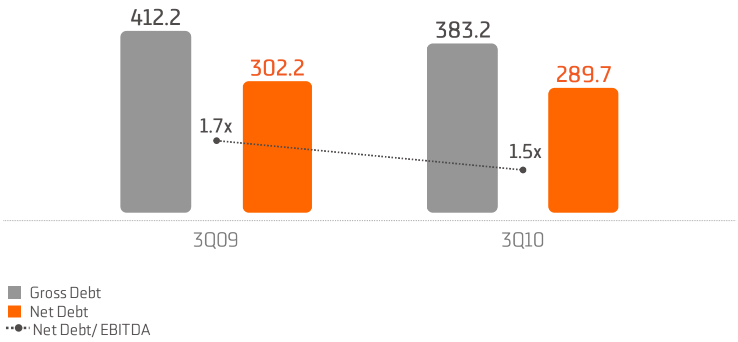
Operating CAPEX reached 87.1 million euros in 9M10, decreasing 0.8% when compared to 9M09. In 3Q10, we kept reinforcing the capacity of our network, both in the core and in the backhaul, while increasing its performance and assuring OPEX savings moving forward. The Operating CAPEX increase in SSI is explained by the acquisition of Softlimits B2B business unit - “Mercados Electrónicos”, by Saphety, in 3Q10, on top of WeDo Technologies' upfront investment related with the acquisition of exclusivity rights in a large client.



As a consequence of our performance in terms of Revenues and Capex, Operating Capex as percentage of Turnover has evolved from 12.2% to 12.7%.

Capital structure

In 3Q10, Consolidated Gross Debt reached 383.2 million euros, 29.0 million euros below the level registered in 3Q09. Sonaecom Credit facilities currently amount to circa 484 million euros.
Consolidated Net Debt, as at the end of 3Q10, stood at 289.7 million euros, 12.5 million euros below 3Q09, which already includes the quarterly 5 million outflow related with the securitization transaction completed in 2008. This favourable evolution is a consequence of our positive performance in terms of cash generation, which we believe assumes even more importance given the macroeconomic situation the country is facing.



It should be noted that all 2010 debt repayments have already been covered and no refinancing needs are expected until mid 2012. Currently, the average maturity of Sonaecom's debt currently stands at, approximately, 2.5 years, with a 9M10 all-in average cost of debt of 2.1%.

In terms of evolution of the key financial ratios we highlight that Net Debt to EBITDA reached 1.5x in 3Q10, an improvement of 0.2x when compared to the end of 3Q09, and Interest Cover ratio evolved y.o.y. from 8.9x to 14.1x.

FCF

Consolidated FCF in 9M10 was positive 9.4 million euros, 6.2 million euros above 9M09, consolidating the positive trend of the previous quarters. This last is a consequence of our consistent improvement in terms of EBITDA-Operating Capex, reflex of an increasingly higher EBITDA and a more controlled CAPEX, and Financial Results, notwithstanding the higher Working Capital investment. Last year, Working Capital benefited from the delay of some payments previously negotiated with some large Fixed Assets Suppliers, which negatively affecting this year Working Capital.

2. Telecommunications

Optimus is the only integrated operator present in all segments of the Portuguese market, focused on mobile technologies and with a convergent approach to the corporate and SMEs segments, supported in innovation and quality of service, as key differentiation drivers.

2.1. Mobile Business

Recent studies and research point to the fact that Mobile internet will be the privileged access to the Internet, largely surpassing Wireline. Accordingly, Mobile will be the dominant technology to access communication, entertainment and information services, representing an upcoming opportunity in terms of Data growth. Our extensive Mobile Broadband and smartphones offer, aimed at keeping up with the most recent trends of the market, has helped us to achieve positive results, acquiring a relative competitive position in Data superior to our historical position in voice.

2.1.1. Operational data

MOBILE OPERATIONAL KPI's	3Q09	3Q10	Δ 10/09	2Q10	q.o.q	9M09	9M10	Δ 10/09
Customers (EOP) ('000)	3,326.9	3,541.1	6.4%	3,469.3	2.1%	3,326.9	3,541.1	6.4%
Net Additions ('000)	58.2	71.8	23.4%	19.5	-	135.3	108.5	-19.8%
Data as % Service Revenues	28.1%	30.3%	2.3pp	30.2%	0.1pp	27.8%	30.0%	2.3pp
Total #SMS/month/user	49.1	46.4	-5.4%	48.3	-3.9%	48.0	47.6	-0.8%
MOU(1) (min.)	133.8	132.6	-0.9%	135.0	-1.7%	130.9	134.0	2.3%
ARPU(2) (euros)	15.2	13.9	-8.9%	13.8	0.9%	15.0	13.8	-8.3%
Customer Monthly Bill	12.2	11.5	-6.0%	11.5	-0.1%	12.2	11.5	-5.7%
Interconnection	3.0	2.4	-20.5%	2.3	6.1%	2.9	2.3	-19.1%
ARPM(3) (euros)	0.11	0.10	-8.1%	0.10	2.7%	0.11	0.10	-10.4%

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

Customer base

In 9M10, Mobile customers continued to grow, this time to 3.54 million customers, representing an increase of 6.4% when compared to 9M09. Fuelled by our very appealing post-paid offer, our Contract customers reached approximately 32.8% of total mobile base, an increase of 1.5pp against the end of 9M09.

During the 9M10, Mobile customer's ARPU was 13.8 euros, down by approximately 1.2 euros against the 9M09, explained by a combination of lower Interconnection Revenues (which decreased from 2.9 euros to 2.3 euros) and lower Customer Monthly Bill (which decreased from 12.2 euros to 11.5 euros), notwithstanding the 3.8% increase in the level of MOU, to 134 minutes. Concerning the Customer Monthly Bill, it should be noted that this line is stabilizing at around 11.5 euros, overcoming the historical decreasing trend of the past.

Data Services and Mobile Broadband

By the end of 9M10, Data Revenues represented 30.0% of Service Revenues, an improvement of 2.3pp vs. the end of 9M09. Non-SMS related data services continued to increase their weight, accounting for approximately 75.4% of total Data Revenues in 9M10, compared to 72.5% in 9M09.

2.1.2. Financial data

Million euros

MOBILE INCOME STATEMENT	3Q09	3Q10	Δ 10/09	2Q10	q.o.q	9M09	9M10	Δ 10/09
Turnover	**154.5**	**152.7**	**-1.1%**	**145.6**	**4.9%**	**453.3**	**440.8**	**-2.8%**
Service Revenues	146.3	143.6	-1.8%	138.8	3.5%	426.0	419.9	-1.4%
Customer Revenues	117.5	118.9	1.2%	116.1	2.4%	345.4	349.3	1.1%
Operator Revenues	28.8	24.7	-14.3%	22.7	8.8%	80.6	70.6	-12.4%
Equipment Sales	8.2	9.1	10.8%	6.8	34.4%	27.3	20.9	-23.5%
Other Revenues	**7.7**	**7.7**	**-0.9%**	**8.3**	**-7.0%**	**25.2**	**24.3**	**-3.7%**
Operating Costs	**118.2**	**110.7**	**-6.3%**	**105.9**	**4.5%**	**337.1**	**320.8**	**-4.8%**
Personnel Costs	13.2	13.3	0.8%	13.2	0.6%	39.9	39.5	-1.0%
Direct Servicing Costs(1)	41.6	43.2	3.9%	42.1	2.5%	124.6	130.2	4.5%
Commercial Costs(2)	36.7	28.6	-22.2%	24.7	15.6%	92.5	73.7	-20.3%
Other Operating Costs(3)	26.7	25.6	-4.0%	25.8	-0.7%	80.1	77.3	-3.5%
Provisions and Impairment Losses	1.6	1.6	-2.9%	0.0	-	**10.0**	**1.8**	**-82.2%**
EBITDA	**42.5**	**48.1**	**13.4%**	**48.0**	**0.4%**	**131.4**	**142.5**	**8.5%**
EBITDA Margin (%)	27.5%	31.5%	4.0pp	32.9%	-1.4pp	29.0%	32.3%	3.3pp
Operating CAPEX(4)	23.2	25.0	7.6%	19.8	26.5%	54.1	62.6	15.7%
Operating CAPEX as % of Turnover	15.0%	16.4%	1.3pp	13.6%	2.8pp	11.9%	14.2%	2.3pp
EBITDA - Operating CAPEX	19.2	23.1	20.4%	28.2	-18.0%	77.2	79.9	3.4%
Total CAPEX	37.9	25.1	-33.7%	19.9	26.2%	69.7	63.1	-9.5%

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

Turnover

Mobile Customer Revenues increased 1.1% in 9M10, to 349.3 million euros. However, Mobile Turnover decreased 2.8% y.o.y., to 440.8 million euros, due to a decrease of 12.4% in the level of Operator Revenues, fully driven by regulated tariffs, and a decrease of 23.5% in the level of Equipment Sales.

Operating Costs

Mobile Operating Costs decreased 4.8% y.o.y., to 320.8 million euros. This cost reduction strategy makes part of a transversal transformation plan, already delivering results across our cost lines. Direct Servicing Costs increased by 4.5% due to our enlarged network and higher traffic levels, an outcome driven by the increased level of activity, despite the lower MTRs.

EBITDA

Mobile EBITDA increased y.o.y. from 131.4 million euros to 142.5 million euros, benefiting from a 4.8% decrease in the level of Operating Costs. In terms of quarterly evolution, the EBITDA level increased between 2Q10 and 3Q10, despite the increase in the level of Provisions.The EBITDA margin reached 32.3%, improving 3.3pp when compared to 9M09. Since 1Q10, the EBITDA margin of our Mobile business has consistently been above 30%, a worthwhile noting result.

2.2. Wireline Business

We deeply believe that convergence will be the key growth driver in the business segments. We are certain that our positioning, which comprises an integrated architecture enabling convergent solutions, is the best way to address customers demand. In the Residential segment, as the competitive environment remains unattractive, we will keep focusing on value growth in terms of subscriber base, namely in what respects to FTTH, while leveraging our infrastructure and partnerships.

2.2.1. Operational data

WIRELINE OPERATIONAL KPI's	3Q09	3Q10	Δ 10/09	2Q10	q.o.q	9M09	9M10	Δ 10/09
Total Accesses	513,822	436,060	-15.1%	447,990	-2.7%	513,822	436,060	-15.1%
Direct Accesses	426,431	362,682	-14.9%	372,751	-2.7%	426,431	362,682	-14.9%
Direct Voice	227,328	194,161	-14.6%	199,086	-2.5%	227,328	194,161	-14.6%
Direct Broadband	162,893	114,432	-29.8%	121,882	-6.1%	162,893	114,432	-29.8%
Other Direct Services	36,210	54,089	49.4%	51,783	4.5%	36,210	54,089	49.4%
Indirect Accesses	87,391	73,378	-16.0%	75,239	-2.5%	87,391	73,378	-16.0%
Unbundled COs with transmission	195	204	4.6%	203	0.5%	195	204	4.6%
Unbundled COs with ADSL2+	177	182	2.8%	182	0.0%	177	182	2.8%
Direct access as % Cust. Revenues	75.9%	69.0%	-7.0pp	72.1%	-3.1pp	77.0%	71.5%	-5.5pp
Average Revenue per Access - Retail	22.5	23.8	5.5%	23.5	1.3%	22.6	23.6	4.5%

Customer base

In 9M10, the Corporate and SMEs segment was able to increase its market presence, with the number of Total Accesses evolving positively. In this particular segment, the number of Total Accesses increased y.o.y. from 138 thousand to 149 thousand, an increase of 8.0%. Nonetheless, totally driven by the Residential segment, Wireline Total Accesses decreased, reaching circa 436 thousand, a 15.1% reduction when compared to the end of 9M09, due to a 14.9% decrease in Direct Accesses and a 16.0% reduction in Indirect Accesses. Nonetheless, it should be highlighted that the decline trend in the level of Total Accesses has been decreasing since the 2Q09.

2.2.2. Financial data

Million euros

WIRELINE INCOME STATEMENT	3Q09	3Q10	Δ 10/09	2Q10	q.o.q	9M09	9M10	Δ 10/09
Turnover	**62.2**	**60.4**	**-2.8%**	**59.4**	**1.8%**	**186.5**	**180.7**	**-3.1%**
Service Revenues	61.8	60.4	-2.2%	59.2	2.1%	184.9	180.4	-2.5%
Customer Revenues	33.4	30.8	-7.6%	30.8	0.1%	105.0	93.5	-11.0%
Direct Access Revenues	25.3	21.3	-16.1%	22.2	-4.2%	80.9	66.8	-17.4%
Indirect Access Revenues	7.0	6.5	-6.5%	6.5	0.3%	21.3	19.5	-8.5%
Other	1.1	3.1	187.8%	2.1	45.5%	2.8	7.1	153.3%
Operator Revenues	28.4	29.6	4.0%	28.4	4.2%	79.9	86.9	8.8%
Equipment Sales	0.4	0.0	-92.5%	0.2	-84.7%	1.6	0.3	-79.3%
Other Revenues	**0.1**	**0.3**	**-**	**0.5**	**-37.5%**	**0.5**	**0.9**	**65.8%**
Operating Costs	**59.5**	**57.4**	**-3.5%**	**55.0**	**4.2%**	**178.1**	**169.1**	**-5.1%**
Personnel Costs	0.9	0.9	1.6%	0.9	5.7%	3.6	2.8	-22.9%
Direct Servicing Costs(1)	40.8	39.7	-2.7%	38.7	2.7%	117.8	117.8	0.0%
Commercial Costs(2)	5.1	6.2	21.3%	4.0	52.7%	17.5	14.5	-17.0%
Other Operating Costs(3)	12.7	10.6	-16.6%	11.5	-7.8%	39.2	34.0	-13.3%
Provisions and Impairment Losses	1.1	2.7	156.5%	2.9	-6.4%	5.5	9.3	68.1%
EBITDA	**1.7**	**0.6**	**-64.1%**	**1.9**	**-66.8%**	**3.4**	**3.2**	**-5.9%**
EBITDA Margin (%)	2.8%	1.0%	-1.8pp	3.2%	-2.1pp	1.8%	1.8%	-0.1pp
Operating CAPEX(4)	11.7	5.3	-54.2%	6.4	-16.7%	31.4	17.0	-45.8%
Operating CAPEX as % of Turnover	18.8%	8.8%	-9.9pp	10.8%	-2.0pp	16.8%	9.4%	-7.4pp
EBITDA - Operating CAPEX	-9.9	-4.7	52.5%	-4.5	-4.3%	-28.0	-13.8	50.7%
Total CAPEX	11.7	5.3	-54.2%	6.4	-16.7%	31.4	17.0	-45.8%

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

Turnover

Wireline Turnover decreased 3.1% y.o.y. to 180.7 million euros. The 8.8% increase in the level of Operator Revenues was not sufficient to offset the 11.0% decrease in the level of Customer Revenues, mainly a consequence of the reductions in Residential Direct and Indirect accesses.

Operating Costs

Wireline Operating Costs decreased 5.1% y.o.y. to 169.1 million euros, mainly driven by a reduction in the level of Commercial Costs and Other Operating Costs, due to the on-going efforts to control our cost structure although maintaining approximately the provisions level of the last quarter.

EBITDA

As a result of our performance in terms of Revenues and Costs, Wireline EBITDA was positive by 3.2 million euros, decreasing 5.9% when compared to 9M09. The EBITDA margin remained approximately stable between 9M09 and 9M10, at 1.8%.

3. Software and Information Systems (SSI)

Our SSI division comprises four companies: WeDo Technologies (a provider of Business Assurance solutions, addressing the optimisation of both business performance and risk management systems and processes), Mainroad (IT Management, Security and Business Continuity), Bizdirect (value added IT Products) and Saphety (Business process automation, electronic invoicing and security on B2B transactions).

WeDo Technologies is strongly focused on reinforcing its leadership in the Revenues Assurance market. At this stage, the company is firmly committed to enlarging its international footprint. In 9M10, around 64.1% of WeDo Technologies total revenues were generated outside Portugal, a good indicator of the company's international expansion.

3.1. Operational data

SSI OPERATIONAL KPI's	3Q09	3Q10	Δ 10/09	2Q10	q.o.q	9M09	9M10	Δ 10/09
IT Service Revenues/Employee(1) ('000 euros)	30.9	32.3	4.4%	33.0	-2.2%	93.6	94.5	0.9%
Equipment Sales as % Turnover	53.2%	49.3%	-3.9pp	50.0%	-0.7pp	59.4%	50.5%	-8.9pp
Equipment Sales/Employee(2) ('000 euros)	865.1	674.4	-22.0%	730.2	-7.6%	3,706.9	2,140.0	-42.3%
EBITDA/Employee ('000 euros)	3.6	3.3	-7.8%	4.2	-21.9%	11.1	10.4	-6.5%
Employees	511	556	8.8%	537	3.5%	511	556	8.8%

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

IT Service Revenues per Employee reached 94.5 thousand euros in 9M10, 0.9% above the 9M09, while Equipment Sales per Employee have decreased y.o.y. circa 42.3%. The latter evolution was mostly due to the lower level of Equipment Sales, as expected with the deceleration of the e-initiatives programme. SSI total headcount increased to 556, a 8.8% y.o.y. growth, due to the need for additional internal consultants to support the increased level of activity at all subsidiaries, to the integration of employees from Softlimits B2B unit, "Mercados electrónicos", and to the growing international footprint of WeDo Technologies. The total number of employees placed outside Portugal was of 164 in 9M10, against 138 in 9M09, representing an increase of 18.8%. EBITDA per employee reached 10.4 thousand euros, a 6.5% y.o.y. decrease, as a consequence of the increase in the number of employees explained above, which has more than offset the increase in the level of EBITDA.

3.2. Financial data

Million euros

SSI CONSOLIDATED INCOME STATEMENT	3Q09	3Q10	Δ 10/09	2Q10	q.o.q	9M09	9M10	Δ 10/09
Turnover	**33.4**	**34.9**	**4.5%**	**35.0**	**-0.1%**	**115.6**	**102.3**	**-11.5%**
Service Revenues	15.7	17.7	13.1%	17.5	1.3%	47.0	50.7	7.9%
Equipment Sales	17.8	17.2	-3.1%	17.5	-1.5%	68.6	51.6	-24.7%
Other Revenues	**0.2**	**0.1**	**-42.1%**	**0.1**	**24.2%**	**0.5**	**0.3**	**-39.0%**
Operating Costs	**31.7**	**33.0**	**4.1%**	**32.6**	**1.3%**	**110.3**	**96.5**	**-12.5%**
Personnel Costs	7.2	7.9	10.0%	7.6	4.7%	21.3	22.9	7.6%
Commercial Costs(1)	17.6	17.0	-3.7%	17.4	-2.6%	68.3	51.1	-25.3%
Other Operating Costs(2)	6.9	8.1	17.7%	7.6	7.1%	20.6	22.5	9.3%
Provisions and Impairment Losses	0.0	0.1	-	0.1	-3.7%	0.0	0.3	-
EBITDA	**1.9**	**1.9**	**0.6%**	**2.3**	**-18.9%**	**5.8**	**5.8**	**0.9%**
EBITDA Margin (%)	5.6%	5.4%	-0.2pp	6.7%	-1.3pp	5.0%	5.7%	0.7pp
Operating CAPEX(3)	0.4	1.6	-	5.8	-71.7%	1.8	8.1	-
Operating CAPEX as % of Turnover	1.1%	4.7%	3.6pp	16.6%	-11.9pp	1.6%	7.9%	6.4pp
EBITDA - Operating CAPEX	1.5	0.3	-83.5%	-3.5	-	4.0	-2.3	-
Total CAPEX	0.4	1.6	-	5.8	-71.7%	1.8	8.1	-

(1) Commercial Costs = COGS + Mktg & Sales; (2) Other Operating Costs = Outsourcing Services + G&A + others; (3) Operating CAPEX excludes Financial Investments, Provisions for sites dismantling and other non operational investments.

Turnover

SSI Turnover decreased y.o.y. by 11.5%, to 102.3 million euros, fully driven by a decrease of 24.7% in the level of IT Equipment Sales. This decrease is due to the expected slowdown of laptop sales under the e-initiatives programme. Importantly, the level of Service Revenues increased y.o.y. by 7.9%, to 50.7 million euros.

Operating Costs

SSI Operating Costs decreased y.o.y. by 12.5%, to 96.5 million euros, driven mainly by a 25.3% decrease in the level of Commercial Costs, mainly in Cost of Goods Sold. It is important to note that the increase in Personnel Costs and Other Operating Costs (mostly Outsourcing costs) was driven by a higher level of activity across all subsidiaries and by the expansion of WeDo Technologies International footprint.

EBITDA

During 9M10, SSI EBITDA evolved positively to 5.8 million euros, increasing 0.9% when compared with 9M09, as a consequence of the positive evolution registered in terms of Service Revenues (+7.9%) and in terms of Operating Costs, which more than compensated the 24.7% Equipment Sales decrease. This growth was achieved despite the international expansion being carried out by WeDo Technologies and the impact of the Softlimits B2B business unit integration, acquired by Saphety. As a result of the already expected combination between higher Service Revenues and lower Equipment Sales, the EBITDA margin increased y.o.y. from 5.0% to 5.7%.

4. Online & Media

The Online & Media business comprises a set of additional businesses such as Miau.pt, Público, a reference daily Portuguese newspaper, now with over 20 years of activity, and Público.pt, always at the digital forefront among Portuguese on-line press.

Regarding Público, during 3Q10, the market dynamics subsisted for daily generalist press both in terms of circulation and in terms of advertising figures.
Concerning Público on-line business, which had in the 9M10 an average of circa 6.5 million monthly visits, holding a leading position in social network platforms, like twitter, with more than 20 thousand followers, it is worth highlighting the success of some innovative projects, such as Público's iPhone application.

In terms of financial overview, 9M10 Online & Media EBITDA was still negative by 1.02 million euros which nevertheless reflects a significant improvement when compared to the negative 2.29 million euros registered in the 9M09.

5. Main Regulatory Developments in the 3Q10

The following are some of the more relevant regulatory developments during the 3Q10:

On August 2010, ICP-ANACOM authorized Optimus to conduct trials of LTE technology in the 2500-2690 MHz frequency bands, in the metropolitan areas of Lisbon and Porto. The tests should take place in a defined calendar: from 1 October 2010 to 31 March 2011, in the metropolitan area of Porto, and from 1 December 2010 to 31 May 2011, in the metropolitan area of Lisbon.

Also on August 2010, Decree-Law nr 56/2010 became effective, establishing limits on amounts charged for the service of unlocking equipment, as well as on the termination of contracts during loyalty periods. This Decree-Law also establishes that loyalty periods for new contracts must not exceed 24 months.

In September 2010, the European Commission issued a new Recommendation on regulated access to Next Generation Access Networks that, focusing on geographic segmentation, determines the access to civil engineering infrastructure of the incumbent operator as well as the unbundling of fiber local loop and bitstream access.

6. Appendix

6.1. Consolidated Income Statement

Million euros

CONSOLIDATED INCOME STATEMENT	3Q09	3Q10	Δ 10/09	2Q10	q.o.q	9M09	9M10	Δ 10/09
Turnover	**235.0**	**233.8**	**-0.5%**	**227.6**	**2.7%**	**716.6**	**684.1**	**-4.5%**
Mobile	154.5	152.7	-1.1%	145.6	4.9%	453.3	440.8	-2.8%
Wireline	62.2	60.4	-2.8%	59.4	1.8%	186.5	180.7	-3.1%
SSI	33.4	34.9	4.5%	35.0	-0.1%	115.6	102.3	-11.5%
Other & Eliminations	-15.1	-14.3	5.4%	-12.4	-15.7%	-38.8	-39.7	-2.3%
Other Revenues	**0.8**	**1.8**	**137.2%**	**1.6**	**10.5%**	**3.1**	**4.6**	**49.0%**
Operating Costs	**188.0**	**181.7**	**-3.3%**	**174.6**	**4.1%**	**566.8**	**528.4**	**-6.8%**
Personnel Costs	24.2	25.1	3.4%	24.3	3.2%	73.4	73.8	0.6%
Direct Servicing Costs(1)	67.8	69.8	2.9%	68.4	2.0%	201.3	209.3	4.0%
Commercial Costs(2)	59.6	52.3	-12.2%	46.8	11.8%	183.2	141.3	-22.9%
Other Operating Costs(3)	36.3	34.5	-5.0%	35.0	-1.6%	108.9	103.9	-4.6%
EBITDAP	**47.8**	**53.9**	**12.8%**	**54.7**	**-1.3%**	**152.9**	**160.4**	**4.9%**
Provisions and Impairment Losses	2.8	4.5	59.6%	3.1	45.2%	16.3	11.4	-30.3%
EBITDA	**45.0**	**49.5**	**9.9%**	**51.6**	**-4.1%**	**136.5**	**149.0**	**9.1%**
EBITDA Margin (%)	19.2%	21.2%	2.0pp	22.7%	-1.5pp	19.1%	21.8%	2.7pp
Mobile	42.5	48.1	13.4%	48.0	0.4%	131.4	142.5	8.5%
Wireline	1.7	0.6	-64.1%	1.9	-66.8%	3.4	3.2	-5.9%
SSI	1.9	1.9	0.6%	2.3	-18.9%	5.8	5.8	0.9%
Other & Eliminations	-1.1	-1.2	-12.1%	-0.6	-100.0%	-4.0	-2.5	36.7%
Depreciation & Amortization	39.8	31.4	-21.2%	32.8	-4.4%	118.8	98.2	-17.4%
EBIT	**5.3**	**18.1**	**-**	**18.8**	**-3.6%**	**17.7**	**50.8**	**187.0%**
Net Financial Results	**-3.6**	**-2.8**	**21.0%**	**-1.7**	**-68.1%**	**-10.9**	**-6.5**	**40.5%**
Financial Income	1.2	0.8	-31.9%	2.0	-58.0%	4.3	4.3	-0.6%
Financial Expenses	4.8	3.7	-23.8%	3.7	-0.2%	15.2	10.8	-29.1%
EBT	**1.7**	**15.3**	**-**	**17.1**	**-10.7%**	**6.8**	**44.3**	**-**
Tax results	-0.3	-5.2	-	-5.6	7.5%	-3.8	-14.4	-
Net Results	**1.4**	**10.1**	**-**	**11.5**	**-12.2%**	**3.0**	**29.9**	**-**
Group Share	1.3	10.1	-	11.5	-12.1%	2.7	29.7	-
Attributable to Minority Interests	0.1	0.0	-48.7%	0.1	-26.4%	0.2	0.1	-42.7%

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

6.2. Consolidated Balance Sheet

Million euros

CONSOLIDATED BALANCE SHEET	9M09	9M10	Δ 10/09
Total Net Assets	**1,965.5**	**1,838.1**	**-6.5%**
Non Current Assets	1,491.1	1,485.4	-0.4%
Tangible and Intangible Assets	842.2	843.2	0.1%
Goodwill	526.0	526.1	0.0%
Investments	1.2	1.2	0.0%
Deferred Tax Assets	121.7	114.7	-5.8%
Others	0.0	0.1	-
Current Assets	474.4	352.7	-25.7%
Trade Debtors	160.9	134.3	-16.5%
Liquidity	109.9	93.4	-15.0%
Others	203.6	125.0	-38.6%
Shareholders' Funds	**932.9**	**964.3**	**3.4%**
Group Share	932.5	963.7	3.3%
Minority Interests	0.4	0.6	32.6%
Total Liabilities	**1,032.6**	**873.8**	**-15.4%**
Non Current Liabilities	457.5	450.9	-1.5%
Bank Loans	299.7	339.4	13.3%
Provisions for Other Liabilities and Charges	32.7	33.0	0.9%
Others	125.1	78.4	-37.3%
Current Liabilities	575.1	422.9	-26.5%
Bank Loans	89.1	21.7	-75.7%
Trade Creditors	185.4	159.8	-13.8%
Others	300.6	241.5	-19.6%
Operating CAPEX(1)	87.8	87.1	-0.8%
Operating CAPEX as % of Turnover	12.2%	12.7%	0.5pp
Total CAPEX	103.3	87.5	-15.3%
EBITDA - Operating CAPEX	48.8	61.9	27.0%
Operating Cash Flow(2)	33.2	37.4	12.4%
FCF(3)	3.2	9.4	190.9%
Gross Debt	412.2	383.2	-7.0%
Net Debt	302.2	289.7	-4.1%
Net Debt/ EBITDA (last 12 months)	1.7 x	1.5 x	-0.1x
EBITDA/Interest Expenses(4) (last 12 months)	9.3 x	14.9 x	5.5x
Debt/Total Funds (Debt + Shareholders' Funds)	30.6%	28.4%	-2.2pp
Excluding the Securitisation Transaction:			
Net Debt	386.5	353.9	-8.4%
Net Debt/ EBITDA (last 12 months)	2.1 x	1.9 x	-0.3pp

(1) Operating CAPEX excludes Financial Investments, Provisions for sites dismantling and other non operational investments; (2) Operating Cash Flow = EBITDA - Operating CAPEX - Change in WC -Non Cash item & Other; (3) FCF Levered after Financial Expenses but before Capital Flows and Financing related up-front Costs; (4) Interest Cover.

6.3. Levered FCF

Million euros LEVERED FREE CASH FLOW	3Q09	3Q10	Δ 10/09	2Q10	q.o.q	9M09	9M10	Δ 10/09
EBITDA-Operating CAPEX	**9.6**	**18.0**	**88.2%**	**19.9**	**-9.8%**	**48.8**	**61.9**	**27.0%**
Change in WC	19.1	-8.3	-	-8.4	1.4%	-23.0	-28.6	-24.2%
Non Cash Items & Other	1.0	3.4	-	0.3	-	7.5	4.0	-46.1%
Operating Cash Flow	**29.6**	**13.1**	**-55.6%**	**11.8**	**11.2%**	**33.2**	**37.4**	**12.4%**
Securitisation Transaction	-5.0	-5.0	0.0%	-5.0	0.0%	-15.0	-15.0	0.0%
Own shares	0.0	0.0	-	-0.5	100.0%	-2.0	-3.5	-75.9%
Financial results	-3.4	-3.0	13.0%	-0.8	-	-12.6	-6.2	51.1%
Income taxes	-0.3	-1.3	-	-1.2	-10.1%	-0.4	-3.2	-
FCF	**20.9**	**3.8**	**-81.6%**	**4.2**	**-9.3%**	**3.2**	**9.4**	**190.9%**

6.4. Headcount

Sonaecom	3Q09	3Q10	Δ 10/09	2Q10	q.o.q	9M09	9M10	Δ 10/09
Total Employees	2,003	2,070	3.3%	2,063	0.3%	2,003	2,070	3.3%
o.w. Telecommunications	1,099	1,120	1.9%	1,127	-0.6%	1,099	1,120	1.9%
o.w. SSI	511	556	8.8%	537	3.5%	511	556	8.8%

6.5. Online & Media

PÚBLICO OPERATIONAL KPI's	3Q09	3Q10	Δ 10/09	2Q10	q.o.q	9M09	9M10	Δ 10/09
Average Paid Circulation(1)	36,396	35,433	-2.6%	33,594	5.5%	37,322	33,828	-9.4%
Market Share of Advertising(2) (%)	11.6%	8.8%	-2.8pp	10.8%	-2.0pp	11.6%	10.4%	-1.3pp
Audience(3) (%)	n.a.	n.a	-	4.4%	-	4.4%	4.4%	0.0pp
Employees	245	246	0.4%	246	0.0%	245	246	0.4%

(1) Estimated value updated in the following quarter; (2) 3Q10 excluding September. This figure is impacted by an outlier value achieved in July 2010; (3) As % of adressable population; Source: Bareme Imprensa.

Million euros

ONLINE & MEDIA CONS. INCOME STATEMENT	3Q09	3Q10	Δ 10/09	2Q10	q.o.q	9M09	9M10	Δ 10/09
Turnover	**7.31**	**6.67**	**-8.7%**	7.92	**-15.8%**	**22.48**	**21.97**	**-2.3%**
Advertising Sales(1)	3.10	2.45	-21.1%	3.42	-28.4%	9.93	8.94	-10.0%
Newspaper Sales	2.84	2.80	-1.3%	2.69	4.3%	8.77	8.05	-8.2%
Paper Sales	0.27	0.46	69.1%	0.58	-20.8%	0.28	1.61	-
Associated Product Sales	1.10	0.96	-12.0%	1.24	-22.2%	3.49	3.37	-3.5%
Other Revenues	**0.05**	**0.24**	**-**	**0.07**	**-**	**0.15**	**0.36**	**139.1%**
Operating Costs	**7.90**	**7.62**	**-3.6%**	**7.85**	**-2.9%**	**24.65**	**23.32**	**-5.4%**
Personnel Costs	1.92	1.85	-3.9%	2.08	-11.2%	5.53	6.01	8.7%
Commercial Costs(2)	10.71	10.34	-3.4%	10.51	-1.6%	33.64	31.36	-6.8%
Other Operating Costs(3)	3.16	3.04	-3.5%	3.10	-2.0%	10.10	9.26	-8.3%
Provisions and Impairment Losses	0.07	0.00	-93.9%	0.01	-46.7%	0.27	0.03	-89.7%
EBITDA	**-0.62**	**-0.71**	**-14.5%**	**0.13**	**-**	**-2.29**	**-1.02**	**55.7%**
EBITDA Margin (%)	-8.5%	-10.6%	-2.2pp	1.7%	-12.3pp	-10.2%	-4.6%	5.6pp
Operating CAPEX(4)	0.24	0.12	-51.9%	0.13	-8.4%	0.58	0.38	-34.6%
Operating CAPEX as % of Turnover	3.3%	1.7%	-1.6pp	1.6%	0.1pp	2.6%	1.7%	-0.8pp
EBITDA - Operating CAPEX	-0.86	-0.83	4.1%	0.01	-	-2.87	-1.39	51.5%
Total CAPEX	0.24	0.12	-51.9%	0.13	-8.4%	0.58	0.38	-34.6%

(1) Includes Content; (2) Commercial Costs = COGS + Mktg & Sales Costs; (3) Other Operating Costs = Outsourcing Services + G&A + others; (4) Operating CAPEX excludes Financial Investments, Provisions for sites dismantling and other non operational investments.

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 in Sonaecom's institutional website
www.sonae.com

Media and Investor Contacts

Isabel Borgas
Public Relations Manager
isabel.borgas@sonae.com
Tel: +351 93 100 20 20

Carlos Alberto Silva
Investor Relations Manager
carlos.alberto.silva@sonae.com
Tel: +351 93 100 24 44

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".

Sonaecom SGPS, SA
Rua Henrique Pousão, 432 – 7th floor
4460-841 Senhora da Hora
Portugal