Results Announcement

First Quarter ‘09

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Note:
The Consolidated Financial Information contained in this report is unaudited and has 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.

1. Headlines

- Strong growth in mobile subscribers (+10.0%), to 3.2 million customers, with more than 28 thousand net additions registered in 1Q09.
- Consolidated Turnover up 1.3% to €241 million, with Mobile Customer Revenues up 0.9%, a positive outcome in the current economic and competitive context.
- Internet & Data surpassing 27% of Mobile Service Revenues in 1Q09, up by 2.1pp against the previous quarter.
- EBITDA of €45.4 million, 33.2% above 1Q08, despite the highly competitive environment and reductions in roaming in tariffs.
- Operating CAPEX reaching €21.4 million in 1Q09, 8.9% of turnover.
- Net Results (Group share) positive by €0.2 million, reflecting a €5.7 million y.o.y improvement.
- SSI generating revenues of €40 million in the quarter (+48%) and more than duplicating EBITDA.
- Net Debt at €350.9 million, with the Net Debt to EBITDA remaining stable at circa 2.0x.

2. Message from Ângelo Paupério, CEO of Sonaecom

Macroeconomic conditions in Portugal and globally continued to deteriorate during the first quarter of 2009, with low consumer and business confidence leading to significant contractions in consumption and investment and, in parallel, generating increased concerns over unemployment and deflation risks. To date, our businesses have not been materially affected by this negative environment with the exception of the reductions in advertising revenues experienced by Público, in line with deteriorating conditions in the general advertising market. However, we will continue to closely monitor the impacts that the current crisis has over the Portuguese economy in general and, more specifically, on our businesses themselves, in order to determine if any remedial actions need to be taken.

Notwithstanding the challenging economic and the competitive landscape, we have been able to deliver a good set of operating and financial results in 1Q09 that are broadly in line with our expectations, with sustained growth in mobile customers, increased top line and a much improved EBITDA performance, mainly resulting from the cost control initiatives launched during the second half of 2008.

Our **mobile business** again delivered strong growth in terms of subscriber numbers, having increased y.o.y by circa 10% to more than 3.2 million at the end of 1Q09, a clear sign that the strong commercial efforts and investments made during 2008 are providing concrete results. This solid performance was driven by growth across all our mobile segments. The increase in customer revenues and the savings achieved in direct servicing costs and in marketing and sales costs, have allowed for a substantial y.o.y increase in the EBITDA performance of our mobile business.

The significant investments made in our mobile network during 2008 have led to improved coverage, capacity and quality of both our GSM and 3G networks. This was confirmed by the results of a recent study carried by the Portuguese regulator, that placed our network in the leading position in terms of global UMTS/3G coverage.

Our **wireline ULL business** continued to experience significant competitive pressures, with aggressive promotions again extended during the 1Q09. In this environment, we have continued to focus on protecting our customer base, by delivering greater value and quality of service to existing customers. Driven by a lower customer base and pressure on monthly bill, our wireline business generated an EBITDA of 0.6 million euros and a margin of 1.0%, both below that achieved in 1Q08.

During the quarter we continued to deploy our **fibre network**, having now passed more than 100 thousand homes. The feedback we have received from connected customers, a few thousand at the end of 1Q09, is extremely positive and we are also encouraged by the success of up-selling of new services to ULL customers migrated to our FTTH network. The level of penetration obtained in the covered zones is in line with our initial expectations for this stage of the project. We have also deepened our experience in home-networking and have managed to achieve further reductions in the average time required to connect a customer. The effective implementation of the announced governmental initiatives aimed at facilitating fibre access to existing and new buildings should allow us to accelerate the access to homes within the covered zones and to further expand the delivery of our innovative broadband and TV services.

SSI continued to deliver positive growth and increased profitability, with turnover growing in 1Q09 by more than 47% against last year driven by higher service revenues and equipment sales. WeDo, that represents approximately 67% of SSI's service revenues, continued to consolidate its international presence, grow its leading position in the international Revenue Assurance market, while adapting and extending its offer to new sectors. The increased contributions particularly from WeDo and Bizdirect, led to an improved EBITDA result, which has more than doubled against 1Q08.

Our **online and media business** saw Público experience another challenging quarter as expected. Although Público was able to increase newspaper sales by 0.3% against last year and 4% in relation to the previous quarter, the general advertising market conditions have deteriorated further, a trend that is visible not only in daily generalist press but in all other media vehicles. On the positive side, Público again achieved a quarterly increase in the audience metrics. In addition, the online and media business reduced its EBITDA losses during 1Q09 by 22.3% against last year.

A number of market and commercial initiatives were carried out during 1Q09 by our different businesses of which I would like to highlight the following:

- Clix, our wireline residential brand, introduced a new proposition in the market, offering all its customers a single internet access speed, corresponding to the maximum available at each access: 24Mbps under ULL and 100Mbs under fibre. In addition, we introduced new 1P offers, including a 60 channel TV or a 24Mbps broadband connection for only 19.99€ per month and repackaged our 2P and 3P bundled offers.
- Optimus increased the maximum download speeds on its 3 mobile broadband offers (under the "Optimus Kanguru" brand), now ranging from 2 Mbps to 7.2 Mbps;
- Introduction of a new and enlarged PC range under the Optimus Kanguru "e-Schools" offer, consisting of 4 of the most recent models from leading laptop providers;

- As an example of the competitive advantages created by the integration of our telco activities, we launched a dedicated support line for Optimus Negócios (our SOHO and SME business unit), ensuring the best integrated service for our mobile and wireline customers in this segment;
- Introduction of the “web-phone” in our corporate offers, a product that allows the use of a PC as a mobile communication tool, including all its typical functionalities: voice, SMS, MMS, and video-calls;
- Optimus reinforced its bet on music, by becoming the major sponsor of the large celebration programme of the 30 years celebration of “Xutos e Pontapés” (a well know local rock band), including a number of associated events that will be promoted throughout 2009;
- At SSI, Mainroad, for the second year in a row, was considered for the Data Centres Europe Awards, in the categories of "Best Managed Services Data Centre" and "Best Risk Mitigation Service Provider", a clear evidence of the excellence of its focused services.

As regards the **regulatory environment**, it is important to highlight that we still do not have a clear regulatory framework for the deployment of NGNs in Portugal and only during 1Q09 has Anacom disclosed certain related guidelines that seem to fall short of what we believe would be the minimum necessary to promote real competition in fibre accesses in Portugal. The signature of the NGN Protocol between the wireline operators and the Portuguese Government in the beginning of 1Q09 is a clear sign of political willingness to remove the obstacles that limit the level of investment and constrain competition in the Portuguese wireline market. However, the extent to which these positive developments really lead to tangible improvements in the wireline market will depend on how these measures and new regulation are implemented.

In terms of **capital structure**, we continue to maintain an acceptable level of leverage and have no scheduled principal repayments of bank debt during 2009. The securitisation transaction completed at the end of last year has further improved our financial position. Accordingly, this leaves Sonaecom in a relatively comfortable position to face the current turmoil in the financial markets.

Although our businesses have shown themselves to be relatively resilient to the current economic crisis during 1Q09, we do not anticipate that the economic climate will improve in the short term, nor do we believe that the competitive nature of the market will ease. Accordingly, trading conditions will continue to be challenging during the remainder of the year. In this environment, and notwithstanding our relatively strong financial position, we will continually assess both the impacts of the current economic and financial crisis on our businesses and the availability of medium term financing for specific projects. On this basis we will determine and adapt the appropriate rate of implementation of our strategic investment plans.

3. Quarter Highlights

KEY OPERATING INDICATORS

OPERATING KPI's	1Q08	1Q09	y.o.y	4Q08	q.o.q
Mobile Business					
Customers (EOP) ('000)	2,926.9	3,219.8	10.0%	3,191.6	0.9%
Data as % Service Revenues	20.6%	27.4%	6,8pp	25.3%	2,1pp
ARPU(1) (euros)	17.0	14.9	-12.0%	16.1	-7.6%
MOU(2) (min.)	117.9	129.9	10.2%	131.3	-1.1%
Wireline Business					
Total Accesses (EOP)	735,163	554,486	-24.6%	592,900	-6.5%
Direct(3)	480,649	442,085	-8.0%	455,027	-2.8%
Indirect	254,514	112,401	-55.8%	137,873	-18.5%
Average Revenue per Access - Retail(4)	21.9	22.9	4.5%	22.4	2.3%
Sonaecom					
Total Employees	1,927	2,000	3.8%	1,968	1.6%
Telecomunications	423	432	2.1%	442	-2.3%
SSI	460	502	9.1%	475	5.7%
Media	270	264	-2.2%	267	-1.1%
Shared Services(5) and Corporate Centre	774	802	3.6%	784	2.3%

(1) Average Monthly Revenue per User; (2) Minutes of Use per Customer per month; (3) Number of Direct Acesses for periods from 3Q07 until 3Q08 were restated in 3Q08; (4) Excluding Mass Calling services' revenues ; (5) Shared Services includes, among other functions, Customer Service, Technical, IT/IS, Accounting, Legal and Regulation.

KEY FINANCIAL INDICATORS

Million euros

CONSOLIDATED FINANCIAL KPI's	1Q08	1Q09	y.o.y	4Q08	q.o.q
Turnover	237.7	240.9	1.3%	249.3	-3.4%
Service Revenues	217.1	201.9	-7.0%	215.6	-6.4%
Customer Revenues	171.9	161.7	-5.9%	167.4	-3.4%
Operator Revenues	45.1	40.2	-11.0%	48.2	-16.6%
EBITDA	34.1	45.4	33.2%	43.5	4.4%
EBITDA Margin (%)	14.3%	18.8%	4,5pp	17.4%	1,4pp
Net Results - Group Share(1)	-5.5	0.2	-	13.1	-98.1%
Operating CAPEX(2)	32.7	21.4	-34.7%	77.7	-72.5%
Operating CAPEX as % of Turnover	13.8%	8.9%	-4,9pp	31.2%	-22,3pp
EBITDA - Operating CAPEX	1.3	24.0	-	-34.2	-
Total CAPEX	35.4	22.1	-37.4%	78.7	-71.9%
FCF(3)	-32.7	-45.9	-40.4%	85.3	-
Net Debt	343.7	350.9	2.1%	299.7	17.1%
Net Debt/ EBITDA (last 12 months)	2.1 x	2.0 x	-0,1x	1.9 x	0,2pp

(1) Net Results after Minority Interests; (2) Operating CAPEX excludes Financial Investments, Provisions for sites dismantling and other non operational investments; (3) FCF Levered after Financial Expenses but before Capital Flows and Financing related up-front Costs.

- **Customers:** (i) Mobile customers increased by 10.0% to 3.220 million at the end of 1Q09, with net additions in the quarter reaching 28.2 thousand. Data revenues represented 27.4% of service revenues in the quarter, up 6.8pp against 1Q08; (ii) Total wireline direct accesses reached 442 thousand, 2.8% below YE08, as a result of the continuing competitive pressures, that have led us to focus less on ULL customer acquisition in the last 3 quarters, the material deceleration of the fixed broadband market and the growing use of mobile broadband.
- **Personnel:** total headcount has increased by 1.6% when compared to the previous quarter, reaching a total of 2 thousand employees, and by 3.8% compared to 1Q08 mostly due to the headcount growth at SSI, driven by increased activity of all its subsidiaries and by the international expansion of WeDo Technologies.
- **Consolidated Service Revenues** decreased by 7.0% against 1Q08, as a result of both a 5.9% decrease in customer revenues, fully driven by the negative evolution at the wireline business, and an 11.0% reduction in operator revenues, resulting from the negative impacts of reductions in regulated tariffs: roaming-in revenues and, mainly, the introduction of the new Mobile Termination Rates ("MTR").
- **Consolidated EBITDA** was 45.4 million euros, 33% higher than in 1Q08, as a result of the improved contributions from the Mobile and SSI Businesses. EBITDA margin has improved by 4.5pp, from 14.3% in 1Q08 to 18.8% in 1Q09, mainly due to: (i) lower commercial costs, mainly marketing and sales, at our Telco businesses; and (ii) the benefits of the MTR programme, introduced in August 2008.

4. Consolidated Results

4.1. Consolidated Income Statement

Million euros

CONSOLIDATED INCOME STATEMENT	1Q08	1Q09	y.o.y	4Q08	q.o.q
Turnover	**237.7**	**240.9**	**1.3%**	**249.3**	**-3.4%**
Mobile	151.6	146.8	-3.1%	160.5	-8.5%
Wireline	75.2	64.3	-14.5%	71.3	-9.8%
Online & Media	7.8	7.4	-5.1%	8.1	-8.1%
SSI	27.1	39.9	47.6%	34.5	15.8%
Other & Eliminations	-23.9	-17.5	26.8%	-25.0	30.0%
Other Revenues	**1.5**	**0.9**	**-40.3%**	**4.8**	**-80.8%**
Operating Costs	**201.1**	**189.9**	**-5.5%**	**203.4**	**-6.6%**
Personnel Costs	26.1	24.8	-5.1%	24.2	2.4%
Direct Servicing Costs(1)	83.7	69.8	-16.6%	75.4	-7.4%
Commercial Costs(2)	52.3	59.0	12.8%	65.1	-9.4%
Other Operating Costs(3)	39.0	36.4	-6.6%	38.7	-6.0%
EBITDAP	**38.2**	**51.9**	**35.9%**	**50.7**	**2.3%**
Provisions and Impairment Losses	4.1	6.5	58.0%	7.2	-10.1%
EBITDA	**34.1**	**45.4**	**33.2%**	**43.5**	**4.4%**
EBITDA Margin (%)	14.3%	18.8%	4.5pp	17.4%	1.4pp
Mobile	33.1	43.8	32.1%	36.8	19.0%
Wireline	2.5	0.6	-74.7%	5.6	-88.5%
Online & Media	-1.2	-0.9	22.3%	-0.4	-100.8%
SSI	0.9	2.0	126.3%	1.8	8.0%
Other & Eliminations	-1.3	-0.1	0.9	-0.2	63.9%
Depreciation & Amortization	37.3	39.4	5.7%	39.3	0.2%
EBIT	**-3.2**	**6.0**	**-**	**4.2**	**43.7%**
Net Financial Results	**-4.2**	**-3.9**	**5.5%**	**-5.4**	**27.3%**
Financial Income	0.8	1.7	121.4%	1.2	50.5%
Financial Expenses	4.9	5.7	14.7%	6.6	-13.6%
EBT	**-7.4**	**2.1**	**-**	**-1.2**	**-**
Tax results	1.9	-1.7	-	14.3	-
Net Results	**-5.5**	**0.4**	**-**	**13.1**	**-97.3%**
Group Share	-5.5	0.2	-	13.1	-98.1%
Attributable to Minority Interests	0.1	0.1	112.9%	0.0	-

(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 + Other Non Current Costs.

Turnover

Consolidated turnover totalled 240.9 million euros in 1Q09, 1.3% above 1Q08, as a result of the combination of lower service revenues (-7.0%), driven mainly by the 11.0% reduction in operator revenues, and significantly higher product and equipment sales (+89.2% y.o.y).

Consolidated service revenues decreased by 7% to 201.9 million euros, mainly as a result of lower contributions from our Telco business. The breakdown of this consolidated performance was as follows:

a) 14.8% lower service revenues at our Wireline Business, mainly driven by reductions in indirect access costumer revenues;
b) 3.3% decrease in service revenues at our Mobile Business, fully driven by the impact, in operator revenues, of lower roaming-in revenues and of the new MTR programme. Mobile customer revenues actually increased 0.9% y.o.y, despite the increased competitiveness in certain segments of the market, that led to a decrease in the average revenue per minute, and the effects of the economic recession;
c) 7.6% higher service revenues at SSI, driven by the positive performance of WeDo, that registered a 5.7% y.o.y top line growth, and Bizdirect;
d) 0.7% reduction in service revenues at the Online & Media division, as a result of lower advertising revenues at Público, determined by a further deterioration of advertising market conditions.

Consolidated customer revenues fell 5.9% when compared to 1Q08, driven mainly by 23.5% lower customer revenues at our Wireline business, not fully compensated by the positive performance of Mobile customer revenues (+0.9% y.o.y), a good achievement in the current competitive and economic environment, and the 7.6% higher service revenues at SSI.

Operating costs
Total operating costs reached 189.9 million, 5.5% below the comparable quarter in 2008, and representing 78.9% of 1Q09 turnover. It should also be noted that, in 1Q09, total operating costs were 6.6% lower than in 4Q08.

The main drivers of the evolution of operating costs were the following:

a) **personnel costs** decreased by 5.1% against 1Q08, despite the slight increase in total headcount, due to the higher capitalisation of project related staff costs at our wireline business and to the impact of our Medium Term Incentive Plan that in 1Q09 implied a lower level of costs when compared to 1Q08;
b) **direct servicing costs** decreased by 16.6%, when compared to 1Q08, and 7.4% against the previous quarter, driven mainly by a 22.3% decrease in interconnection and content costs, due to the new MTR programme and to lower ULL monthly fee related costs;
c) **commercial costs** increased y.o.y by 6.7 million euros, to 59.0 million euros in 1Q09, as a result of the higher level of COGS at SSI, driven by the continuing success of Bizdirect product sales, not fully compensated by lower marketing and sales costs (including handset subsidies) at our Telco Business. The substantial one-off investments made during the 1Q08 in the Optimus rebranding and related advertising campaigns were one of the factors behind the 32% y.o.y lower commercial costs at our Mobile business;
d) **other operating costs** decreased 6.6% against 1Q08, mainly as a consequence of reductions in both general & administrative costs (down 4.9% y.o.y) and in outsourcing costs (6.1% lower than in 1Q08).

Provisions and impairment losses increased y.o.y. in 1Q09 by approximately 2.4 million euros mainly as a result of higher provisions for bad debt (driven by our decision, since 3Q08, to reinforce such provisions due to the combination of higher sustained level of billing and the deteriorating economic environment) and despite lower provisions for stock depreciation. It is also worth noting that Provisions and impairment losses have decreased 10.1% in 1Q09, when compared to the previous quarter.

EBITDA
As a result of the performance detailed above, in terms of revenues and costs, consolidated EBITDA improved by 33.2% to 45.4 million euros in 1Q09 generating a margin of 18.8%, compared to a margin of 14.3% in 1Q08. The breakdown of EBITDA performance by business was as follows:

a) EBITDA at our Mobile Business was of 43.8 million euros, up by 32.1% when compared to 1Q08, mainly explained by lower commercial and interconnection costs, which were partly off-set by lower roaming-in revenues. The Mobile Business achieved an EBITDA margin of 29.8%, significantly above 1Q08 and previous quarter;
b) The Wireline Business generated an EBITDA of 0.6 million euros (1.9 million euros below 1Q08), as a result of the loss of indirect access revenues, increased competiveness in the market and the continuation of the operational trends experienced in the previous quarters;
c) EBITDA at SSI more than doubled when compared to 1Q08 (+126%), to 1.98 million euros in 1Q09, mainly as a result of a substantially improved EBITDA performance at WeDo, which has increased its EBITDA by 0.8 million euros y.o.y, and at Bizdirect;
d) Online & Media's EBITDA was negative 0.9 million euros, which nevertheless represented a 22.3% improvement when compared to 1Q08, with the 7.7% reduction in total operating costs, more than off-setting the negative performance in its advertising revenues and newspaper sales.

Net Profit
Net results group share were positive by 0.2 million euros in 1Q09, compared to the negative 5.5 million euros result in 1Q08, mainly due to the much improved EBITDA performance and to the 5.5% reduction in net financial results.

Depreciation and amortization charges increased by 2.1 million euros compared to 1Q08 to 39.4 million euros, driven by the increased asset base resulting from investments made during 2008 in expanding our mobile and fibre access networks. It should be noted that, during 3Q08 we began to amortise the 91.3 million euros intangible asset, recognised as CAPEX in 2008, in relation to the obligations assumed under

the “e-Initiatives” programme. Depreciation and amortization charges remained approximately stable when compared to the previous quarter.

When compared to 1Q08, net financial charges decreased by 5.5%, to 3.9 million euros in 1Q09, reflecting:

a) higher financial expenses, up by 0.8 million euros, due to the financial costs related to the receivables securitisation and the higher average gross debt in 1Q09 which have more than off-set the decrease in the average cost of debt (from 5.1% in 1Q08 to 3.8% in 1Q09), as a reflection of movements in market rates. Nevertheless, excluding the impacts of the securitisation, the lower average cost of debt more than compensated the effect of higher average gross debt in the period; and
b) a 0.9 million increase in financial income, driven by the higher level of average liquidity in 1Q09 mainly as a result of the increased liquidity generated by the completion of the 100 million euros receivables securitisation at the end of 2008.

The tax line in 1Q09 showed a cost of 1.7 million euros, compared to a benefit of 1.9 million euros in 1Q08, driven by the improved EBT performance (from a negative 7.4 million to a positive 2.1 million euros) and by movements in deferred tax assets at our Telecoms Business.

4.2. Consolidated Balance Sheet

Million euros

CONSOLIDATED BALANCE SHEET	1Q08	1Q09	y.o.y	4Q08	q.o.q
Total Net Assets	**1,694.9**	**1,958.1**	**15.5%**	**1,973.4**	**-0.8%**
Non Current Assets	1,353.8	1,492.1	10.2%	1,510.7	-1.2%
Tangible and Intangible Assets	720.4	840.9	16.7%	858.6	-2.1%
Goodwill	528.1	526.0	-0.4%	526.0	0.0%
Investments	2.0	1.2	-38.5%	1.2	0.0%
Deferred Tax Assets	103.3	124.0	20.0%	124.9	-0.7%
Current Assets	341.0	466.0	36.7%	462.8	0.7%
Trade Debtors	191.0	164.3	-14.0%	173.7	-5.4%
Liquidity	5.5	101.0	-	105.7	-4.5%
Others	144.5	200.7	38.9%	183.4	9.5%
Shareholders' Funds	**932.5**	**933.2**	**0.1%**	**929.0**	**0.5%**
Group Share	931.6	932.9	0.1%	928.5	0.5%
Minority Interests	0.9	0.3	-67.7%	0.5	-34.4%
Total Liabilities	**762.3**	**1,024.9**	**34.4%**	**1,044.5**	**-1.9%**
Non Current Liabilities	379.4	603.2	59.0%	572.4	5.4%
Bank Loans	329.6	416.7	26.4%	381.7	9.2%
Provisions for Other Liabilities and Charges	31.7	33.5	5.4%	32.2	3.9%
Others	18.1	153.1	-	158.5	-3.4%
Current Liabilities	383.0	421.7	10.1%	472.1	-10.7%
Bank Loans	0.3	11.3	-	5.0	125.1%
Trade Creditors	174.7	164.7	-5.7%	179.1	-8.0%
Others	208.0	245.7	18.1%	288.0	-14.7%
Operating CAPEX[1]	32.7	21.4	-34.7%	77.7	-72.5%
Operating CAPEX as % of Turnover	13.8%	8.9%	-4,9pp	31.2%	-22,3pp
Total CAPEX	35.4	22.1	-37.4%	78.7	-71.9%
EBITDA - Operating CAPEX	1.3	24.0	-	-34.2	-
Operating Cash Flow[2]	-28.6	-35.4	-23.8%	-5.9	-
FCF[3]	-32.7	-45.9	-40.4%	85.3	-
Gross Debt	349.3	451.9	29.4%	405.5	11.5%
Net Debt	343.7	350.9	2.1%	299.7	17.1%
Net Debt/ EBITDA last 12 months	2.1 x	2.0 x	-0,1x	1.9 x	0,2x
EBITDA/Interest Expenses[4] (last 12 months)	7.6 x	8.3 x	0,7x	8.1 x	0,3x
Debt/Total Funds (Debt + Shareholders' Funds)	27.2%	32.6%	5,4pp	30.4%	2,2pp
Excluding the Securitisation Transaction:					
Net Debt	343.7	444.6	29.4%	399.0	11.4%
Net Debt/ EBITDA last 12 months	2.1 x	2.6 x	0,5x	2.5 x	0,1x
EBITDA/Interest Expenses[4] (last 12 months)	7.6 x	8.3 x	0,7x	8.1 x	0,3x

(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.

Capital structure
Consolidated gross debt totalled 451.9 million euros, 102.6 million euros above the level at the end of 1Q08 and comprised:

- 150 million euros long-term privately placed Bonds, due in June 2013;
- 250 million euros used under the underwritten committed Commercial Paper Programme contracted in 2007 and with final maturity in July 2012;
- 17 million euros used under the 70 million euros underwritten committed Commercial Paper Programme contracted in 2005 and committed for a rolling period of 364 days;
- 10.5 million euros of short term bank debt, out of a total of approximately 20 million of short term credit facilities; and
- 23.9 million euros of long term financial leases.

As a result of an Interest Rate Swap negotiated during 2007 (with maturities in June 2009), approximately 17% of the consolidated gross debt is currently based on fixed rates. After June 2009, all of the outstanding debt will be at variable rates, allowing the capture of the full benefits of lower market rates.

Consolidated net debt at the end of 1Q09 stood at 350.9 million euros, 2.1% higher than in 1Q08, mainly reflecting the FCF evolution between the two periods, including the proceeds from the securitisation transaction.

At the end of 1Q09, Net Debt to annualised EBITDA remained approximately stable, when compared to 1Q08, at 2.0x, as the increase in net debt was more than off-set by the higher EBITDA level in the preceding 12 month period, while Interest Cover improved from 7.6x at the end of 1Q08 to 8.3x at the end of 1Q09, as a consequence of both higher financial expenses (+0.8 million euros y.o.y) and improved EBITDA performance. The ratio of Consolidated Debt to Total Funds deteriorated slightly, having reached 32.6% in 1Q09 (against 27.2% in 1Q08), reflecting the above mentioned movements in gross debt and the 0.1% increase in Shareholder's Funds. The latter resulted mainly the positive net income generated in the period, which has more than compensated the effect of the acquisition of own shares, totalling 10.1 million euros between the end of March 2008 and March 2009, pursuant to the authorisations granted by shareholders at Sonaecom's Shareholders General Meetings.

Excluding the impact of the receivables securitisation, consolidated net debt at the end of 1Q09 stood at 444.6 million euros, 29.4% above the level registered at the end of 1Q08, reflecting primarily the underlying negative FCF generated between the two dates. Additionally, in relation to the securitisation transaction, it should be noted that during the quarter, a principal amount of 5 million euros was repaid to noteholders.

Consolidated gross debt continues to be mainly contracted by Sonaecom SGPS and efficient internal cash management is being used to allocate cash between our subsidiaries. At the end of 1Q09, the sum of cash and non-utilized committed credit lines at the Sonaecom Group stood at approximately 163 million euros and the weighted average maturity was of approximately 2.7 years. As indicated above no amortizations of bank loans are scheduled until 2010.

CAPEX
Total consolidated CAPEX during 1Q09 was 22.1 million euros while Operating CAPEX reached 21.4 million euros, 34.7% below 1Q08, and representing 8.9% of turnover.

The y.o.y. reduction in Operating CAPEX registered in 1Q09 resulted mainly from the ambitious investment plan, completed in 2008, that involved a higher level of investment in the Mobile Business, aimed at increasing the coverage and capacity of our mobile access network.

Shareholders' Funds
At the end of 1Q09, shareholders' funds totalled 933.2 million euros, compared to 932.5 million euros at the end of 1Q08, reflecting mainly the net profits generated in the period, which more than off-set the impact of the acquisition of own shares between the two dates, associated with our employee MTIP obligations.

FCF

Million euros LEVERED FREE CASH FLOW	1Q08	1Q09	y.o.y	4Q08	q.o.q
EBITDA-Operating CAPEX	**1.3**	**24.0**	**-**	**-34.2**	**-**
Change in WC	-32.1	-67.1	-108.8%	30.2	-
Non Cash Items & Other	2.2	7.7	-	-1.9	-
Operating Cash Flow	**-28.6**	**-35.4**	**-23.8%**	**-5.9**	**-**
Financial Investments	-1.1	0.0	100.0%	0.0	-
Securitisation Transaction	0.0	-5.0	-	99.3	-
Own shares	0.0	-1.3	-	-2.8	53.5%
Public Tender Offer	-0.1	0.0	100.0%	0.0	-
Financial results	-2.9	-4.2	-45.5%	-5.4	21.3%
Income taxes	0.0	0.0	-	0.0	-
FCF	**-32.7**	**-45.9**	**-40.4%**	**85.3**	**-**

Consolidated FCF in 1Q09 was negative 45.9 million euros, compared to a negative 32.7 million euros in 1Q08 and comprised the following main elements:

- A positive **EBITDA minus Operating Capex** of 24.0 million euros, 22.7 million euros higher than in 1Q08, as a reflection of our efforts to focus on cash generation during the year;
- A **Working Capital** deterioration of 67.1 million euros, reflecting mainly lower credit from fixed asset suppliers, a normal evolution during the first quarter of the year as a result of the payments due in respect of to the higher Capex level registered in the last quarter of the previous year (Operating Capex reached 77.7 million euros in 4Q08).
  It is also worth noting that our Telco business working capital variation includes an extraordinary VAT payment of approximately 25 million euros, related to an internal transaction. This amount of VAT should to be recovered in the coming quarters.
  Finally, working capital in 1Q09 included an extraordinary amount, of approximately 20 million euros, to be received from Fundação para a Sociedade de Informação, an institute created by the Portuguese State to promote the information society in Portugal, in relation to our participation in the "e-Initiatives" programme. In accordance with the agreement in place with that entity, we expect the outstanding amounts to be paid shortly;
- Payments related to the **securitisation transaction** in the amount of 5.0 million euros;
- Acquisition of **own shares** during 1Q09, in the amount of 1.3 million euros; and
- **Financial outflows** of 4.2 million euros, approximately 1.3 million euros above the level registered in 1Q08, mainly driven by the impact of the securitisation transaction.

5. Telecommunications

5.1. Mobile Business

Our mobile business continued to enlarge its presence in the market, registering growth across all mobile segments, benefiting from the commercial initiatives implemented in 2008 and of the investments made in supporting the brand, improving distribution capacity and customer service.

5.1.1. Operational data

MOBILE OPERATIONAL KPI's	1Q08	1Q09	y.o.y	4Q08	q.o.q
Customers (EOP) ('000)	2,926.9	3,219.8	10.0%	3,191.6	0.9%
Net Additions ('000)	33.3	28.2	-15.5%	133.3	-78.9%
Data as % Service Revenues	20.6%	27.4%	6,8pp	25.3%	2,1pp
Total #SMS/month/user	42.2	46.4	10.1%	51.0	-9.0%
MOU(1) (min.)	117.9	129.9	10.2%	131.3	-1.1%
ARPU(2) (euros)	17.0	14.9	-12.0%	16.1	-7.6%
Customer Monthly Bill	13.2	12.1	-8.3%	12.8	-5.4%
Interconnection	3.8	2.8	-25.1%	3.4	-15.9%
ARPM(3) (euros)	0.14	0.1	-20.2%	0.12	-6.6%

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

Customer base

Mobile customer base increased by 10.0% to 3.220 million customers at the end of 1Q09, compared to 2.927 million at the end of 1Q08 and 3.192 million at the end of 2008, with net additions surpassing 28 thousand in the 1Q09, approximately 5 thousand customers below the comparable period in 2008. This growth was achieved at all our mobile segments, with a particular emphasis on the continued expansion of our mobile broadband customer base.

Contract customers again increased their weight in the total customer base, having reached in 1Q09 approximately 31% of the total mobile base, an increase of 1.6pp against 1Q08.

During 1Q09, Mobile customer's ARPU was 14.9 euros, down from 17.0 euros in the comparable period on 2008, through a combination between lower interconnection revenues and the lower ARPM. Of the 1Q09 ARPU, 12.1 euros related to customer monthly bill and 2.8 euros to operator revenues, compared to 13.2 euros and 3.8 euros respectively, in 1Q08. It is important to note that the 20.2% decrease in ARPM was partially compensated by a 10.2% increase in MOU, leading to an 8.3% decrease in the Monthly Bill.

Data usage

We were again able to maintain our leading position in retail sales of wireless broadband and achieved a material growth of data usage, namely through the promotion of our mobile broadband product "Kanguru", based on HSDPA/HSUPA technologies, currently offering downlink speeds of up to 7.2 Mbps and uplink speeds of up to 1.4Mbps. We have completed during 1Q09 the successful testing of the new HSPA+ technology. These tests were 100% performed on our network, demonstrating the capacity of our leading infrastructure in the adoption of new wireless Internet access technologies. In these tests, speeds close to the theoretical limit of the HSPA+ technology (21 Mbps) were achieved, close to 3 times the speeds currently available in the market.

During 1Q09, Optimus Kanguru increased the maximum download speeds associated with most of its rate plans, including the ones available under the "e-Initiatives" programme, from 1 to 2 Mbps in the "Basic" plan, from 2 to 3.6 Mbps in the "Light" offer and from 4 to 5 Mbps in the "Xpress" offer.

The governmental programme ("e-Initiatives") aimed at the development of the 'Information Society' in Portugal, as part of the agreements reached with the Government to fulfil the obligations under the UMTS licenses, continued to contribute to maintaining mobile broadband market growth at a high pace. In this respect, during 1Q09, we have introduced a new Optimus Kanguru e-Initiatives PC range, consisting of 4 of the most recent models from leading laptop providers.

Data revenues represented 27.4% of service revenues in 1Q09, an improvement of 6.8pp vs. 1Q08 and 2.1pp against the previous quarter, as the result of our promotional efforts to increase usage of data services and the success of our wireless broadband solutions. Non-SMS related data services continued to increase their weight in data revenues, accounting for approximately 73% of total data revenues in 1Q09, compared to only 61% in 1Q08. Importantly, the revenues from non-SMS data services continue to post significant increases, having grown y.o.y. in 1Q09 by more than 54%.

Mobile access network

During 1Q09, although at a slower pace when compared to 2008, we continued to invest in the coverage and capacity of our mobile network, with the deployment of new UMTS sites, the upgrade of our 3G network with HSDPA and the increase in the backhaul capacity. The substantial investment made in the network during last year is expected to allow Sonaecom to continue to lead in mobile broadband and push for additional growth.

Driven by this constant search for optimisation of our network, Sonaecom has been several times recognised by independent entities as holding the best network in Portugal. Examples of this are the results of several audits published by Anacom during 1Q09, aimed at assessing the quality of service of the Portuguese mobile operators, namely in the Lisbon and Porto areas, main cities, main roads and rail tracks. The results show the excellence of the performance of Sonaecom's mobile network, both in 2G and 3G.

5.1.2. Financial data

Million euros

MOBILE INCOME STATEMENT	1Q08	1Q09	y.o.y	4Q08	q.o.q
Turnover	**151.6**	**146.8**	**-3.1%**	**160.5**	**-8.5%**
Service Revenues	144.0	139.3	-3.3%	147.5	-5.6%
Customer Revenues	111.8	112.8	0.9%	116.7	-3.3%
Operator Revenues	32.2	26.5	-17.7%	30.8	-14.1%
Equipment Sales	7.6	7.5	-0.9%	13.0	-42.0%
Other Revenues	**10.2**	**8.7**	**-14.4%**	**11.7**	**-25.5%**
Operating Costs	**126.0**	**108.3**	**-14.0%**	**129.6**	**-16.4%**
Personnel Costs	12.7	14.0	10.2%	14.0	0.1%
Direct Servicing Costs(1)	50.5	43.0	-14.8%	44.3	-2.9%
Commercial Costs(2)	36.1	24.5	-32.0%	41.4	-40.7%
Other Operating Costs(3)	26.7	26.8	0.3%	29.9	-10.6%
EBITDAP	**35.8**	**47.2**	**32.1%**	**42.6**	**10.8%**
Provisions and Impairment Losses	2.6	3.5	31.5%	5.8	-40.5%
EBITDA	**33.1**	**43.8**	**32.1%**	**36.8**	**19.0%**
EBITDA Margin (%)	21.86%	29.81%	8pp	22.9%	6,9pp
Operating CAPEX(4)	25.9	12.9	-50.2%	58.8	-78.1%
Operating CAPEX as % of Turnover	17.1%	8.8%	-8,3pp	36.6%	-27,8pp
EBITDA - Operating CAPEX	7.2	30.9	-	-22.0	-
Total CAPEX	28.6	13.7	-52.3%	59.7	-77.1%

(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 + Other Non Current Costs; (4) Operating CAPEX excludes Financial Investments, Provisions for sites dismantling and other non operational investments.

5.2. Wireline Business

The trends already experienced in the previous quarters have again prevailed in 1Q09, with competitive pressures continuing to be particularly visible in the wireline segment, in the voice, broadband and TV segments. In this market environment, and since 3Q08, we have focused on protecting the direct access broadband business with particular efforts made to reducing levels of churn, improving loyalty and reinforcing our IPTV and Home Video services (now with more than 1,500 titles available), while continuously working to improve customer service.

5.2.1. Operational data

WIRELINE OPERATIONAL KPI's	1Q08	1Q09	y.o.y	4Q08	q.o.q
Total Acesses	**735,163**	**554,486**	**-24.6%**	**592,900**	**-6.5%**
Direct Accesses[1]	**480,649**	**442,085**	**-8.0%**	**455,027**	**-2.8%**
Direct Voice	260,989	238,589	-8.6%	246,032	-3.0%
Direct Broadband	201,947	180,499	-10.6%	188,304	-4.1%
Other Direct Services	17,713	22,997	29.8%	20,691	11.1%
Indirect Accesses	254,514	112,401	-55.8%	137,873	-18.5%
Unbundled COs with transmission	173	174	0.6%	174	0.0%
Unbundled COs with ADSL2+	164	166	1.2%	166	0.0%
Direct access as % Cust. Revenues	65.8%	77.6%	11,8pp	77.2%	0,4pp
Average Revenue per Access - Retail[2]	21.9	22.9	4.5%	22.4	2.3%

(1) Number of Direct Acesses for periods from 3Q07 until 3Q08 were restated in 3Q08; (2) Excluding Mass Calling services' revenues and recalculated in 3Q08 according to the restated number of accesses

Customer base

At the end of 1Q09, total accesses reached 554.5 thousand, a decrease of 24.6% compared to the end of 1Q08, explained by a 8.0% decrease in direct accesses and a 55.8% reduction in indirect accesses, as a reflection of the expected churn of indirect voice customers and partly due to migrations to direct access (including bundled) offers. The number of direct accesses represented 79.7% of the Wireline Business total accesses at the end of the quarter, compared to 65.4% at the end of 1Q08.

Quarterly direct access net additions were again negative in 1Q09, by 13 thousand accesses, as a result of the trends already explained in the last 2 quarters: (i) deceleration of the total Portuguese fixed broadband market; (ii) no expansion of the addressable market for our ULL offers, as we have not opened any new CO for ADSL2+ services; and (iii) given the predominance of value destructive promotions in the market, the increased focus on quality of service and customer retention.

The average Wireline retail revenue per access increased to 22.9 euros, up by 4.5% against 1Q08, driven mainly by the increased weight of the direct access customer base.

Services

During 1Q09 we have continued to reinforce our IPTV offer by adding new contents, including several new broadcast channels (including Benfica TV, the exclusive KidsCo, SporTV HD and Sci-fi), and with a particular focus placed in the high definition content (both in terms of channels and films available in our Home Video offer).

Importantly, Clix again demonstrated in 1Q09 its innovative spirit and leading role in the introduction of new services and functionalities in the Portuguese TV market. After being the first operator to provide an IPTV service in Portugal, Clix SmarTV once again introduced a relevant novelty in the market by offering its customers the functionality of restarting a TV program without previously having given any instructions to record it. “Restart TV” works on any TV box and is now available for free on the main channels on our offers.

ULL access network

During the 1Q09, the number of COs unbundled for SHDSL circuit interconnection remained stable. With these circuits (installed at 174 COs), Sonaecom is capable of operating direct connections for most of our mobile access network, thus further reducing the dependency on the incumbents' leased circuits.

We also did not enlarge further the addressable market of our residential ULL offers as, during the last 3 quarters, we did not open any additional COs with ADSL2+. As such, the addressable market of our ULL network continues to correspond to approximately 55% of total fixed lines in Portugal. Of the 166 central offices we have unbundled until 1Q09, approximately 72% are prepared with full triple play capability.

Fibre access network

We have continued the implementation of FTTH, with which Sonaecom has, for the first time, the complete responsibility for the network used to deliver end-to-end fixed services to the residential market and is, as such, completely in control of the end-to-end quality of service provided to the customer. The feedback we are receiving from connected customers, a few thousand at the end of 1Q09, is extremely positive, in terms of both their broadband and TV experience. We are also pleased with what is the experience so far in terms of up-selling new services to existing customers migrated from ULL onto our FTTH network, one of the economic drivers behind our fibre deployment.

In parallel to the network roll-out, we continue to deepen our experience in terms of home-networking, aimed at minimising the level of works required and reducing further the time required to connect a customer. The effective implementation of the governmental initiatives aimed at clarifying the rights-of-way and facilitating the access to existing and new buildings for fibre deployments should allow us to accelerate the access to homes within the covered zones and to further expand the delivery of innovative high-speed broadband services.

5.2.2. Financial data

Million euros

WIRELINE INCOME STATEMENT	1Q08	1Q09	y.o.y	4Q08	q.o.q
Turnover	**75.2**	**64.3**	**-14.5%**	**71.3**	**-9.8%**
Service Revenues	75.0	63.9	-14.8%	70.3	-9.1%
Customer Revenues	48.8	37.3	-23.5%	39.5	-5.4%
Direct Access Revenues	32.1	29.0	-9.8%	30.5	-5.0%
Indirect Access Revenues	15.5	7.3	-52.7%	8.2	-10.0%
Other	1.1	1.0	-10.8%	0.8	23.7%
Operator Revenues	26.2	26.6	1.4%	30.8	-13.7%
Equipment Sales	0.2	0.3	84.2%	1.0	-65.7%
Other Revenues	**0.7**	**0.0**	**-**	**3.4**	**-**
Operating Costs	**72.0**	**61.2**	**-15.0%**	**66.8**	**-8.5%**
Personnel Costs	2.6	1.5	-42.4%	2.7	-44.8%
Direct Servicing Costs(1)	48.6	40.5	-16.7%	46.9	-13.7%
Commercial Costs(2)	4.8	5.8	20.8%	5.6	2.4%
Other Operating Costs(3)	16.1	13.5	-16.2%	11.7	15.5%
EBITDAP	**3.9**	**3.0**	**-21.5%**	**7.8**	**-61.1%**
Provisions and Impairment Losses	1.4	2.4	77.5%	2.2	6.9%
EBITDA	**2.5**	**0.6**	**-74.7%**	**5.6**	**-88.5%**
EBITDA Margin (%)	3.3%	1.0%	-2,4pp	7.8%	-6,8pp
Operating CAPEX(4)	6.7	7.8	15.3%	18.1	-57.0%
Operating CAPEX as % of Turnover	9.0%	12.1%	3,1pp	25.4%	-13,3pp
EBITDA - Operating CAPEX	-4.2	-7.1	-69.0%	-12.5	43.1%
Total CAPEX	6.7	7.8	15.3%	18.1	-57.0%

(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 + Other Non Current Costs; (4) Operating CAPEX excludes Financial Investments, Provisions for sites dismantling and other non operational investments.

6. Software and Systems Information (SSI)

SSI again achieved a good set of operational and financial results, registering significant top line and profitability growth. This positive evolution continues to be driven by growth and the international expansion of WeDo Technologies, as well as by the increased market penetration of all other operating companies: Mainroad (IT Management, Security and Business Continuity), Bizdirect (value added IT Products) and Saphety (Business process automation, electronic invoicing and security on B2B transactions).

It should also be note that, as part of the restructuring of the business portfolio of SSI, which became effective on 1 January 2009, the previous business-to-business (B2B) area of Bizdirect was integrated into Saphety. As such, in light of the very positive recent evolution of the BizProducts business unit (mostly dedicated to equipment sales) and of its future growth prospects, the shareholders of Bizdirect decided to concentrate the company in this specific area.

6.1. Operational data

SSI OPERATIONAL KPI's	1Q08	1Q09	y.o.y	4Q08	q.o.q
IT Service Revenues/Employee[1] ('000 euros)	28.2	28.2	-0.3%	32.5	-13.4%
Equipment Sales as % Turnover	46.8%	61.2%	14,4pp	53.5%	7,7pp
Equipment Sales/Employee[2] ('000 euros)	975.8	1,448.3	48.4%	1,319.0	9.8%
EBITDA/Employee ('000 euros)	1.9	3.9	108.1%	3.3	18.7%
Employees	460	502	9.1%	475	5.7%

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

During 1Q09, IT service revenues per employee reached 28.2 thousand euros, stable when compared to the same quarter of 2008, while equipment sales per employee have increased y.o.y by more than 48%. Total headcount at the end of 1Q09 increased to 502, a 9.1% y.o.y growth, mainly due to the need for additional internal consultants to support the increased level of activity of SSI companies and to the growing international footprint of WeDo. The increase in headcount has led to a q.o.q reduction in the productivity levels, as measured by IT service revenues per employee, as the benefits of this enlarged structure are expected to be only be fully visible at the top line in the coming quarters.

WeDo continues to consolidate its international presence, grow its leading position in the international Revenue Assurance market, while expanding its product portfolio and enlarging its offer beyond its traditional telecoms customer base. In this respect, it should be noted that Praesidium, the current consultancy division of WeDo, has expanded its service coverage to 3 new industries - utilities, financial services and retail. Praesidium, which was acquired by WeDo in 2007, is an acknowledged leader in risk management consultancy in the telecommunications industry, providing consultancy services to more than 100 telecommunications companies for more than 12 years.

After the opening of new offices, at the end of 2008, in Mexico, allowing for a more cost effective management of those regions, WeDo has increased its local presence to 12 different countries. WeDo’s customer orders in 1Q09 have increased by more than 3.8% in comparison with the level registered in the same quarter of 2008. During 1Q09, sales in the international markets totalled more than 58% of total revenues.

Mainroad, a leading player in business continuity solutions and services, has been considered, for the second year in a row, for the Data Centres Europe Awards, in the categories of "Best Managed Services Data Centre" and "Best Risk Mitigation Service Provider". Also during 1Q09, Mainroad launched a radio and press advertising campaign with the slogan "You run your business, we support IT". The aim of this campaign is to remind companies of the importance of cost cutting in IT structures via the benefits of outsourcing and service externalisation.

6.2. Financial data

Million euros

SSI CONSOLIDATED INCOME STATEMENT	1Q08	1Q09	y.o.y	4Q08	q.o.q
Turnover	**27.05**	**39.92**	**47.6%**	**34.48**	**15.8%**
Service Revenues	14.40	15.49	7.6%	16.03	-3.4%
Equipment Sales	12.65	24.43	93.2%	18.45	32.4%
Other Revenues	**0.07**	**0.25**	**-**	**0.70**	**-64.7%**
Operating Costs	**26.19**	**38.11**	**45.5%**	**33.28**	**14.5%**
Personnel Costs	6.94	7.02	1.1%	6.70	4.7%
Commercial Costs(1)	12.78	24.34	90.5%	18.51	31.5%
Other Operating Costs(2)	6.47	6.75	4.4%	8.07	-16.3%
EBITDAP	**0.93**	**2.06**	**120.6%**	**1.89**	**8.9%**
Provisions and Impairment Losses	0.06	0.08	39.2%	0.06	32.1%
EBITDA	**0.87**	**1.98**	**126.3%**	**1.83**	**8.0%**
EBITDA Margin (%)	3.2%	4.9%	1,7pp	5.3%	-0,4pp
Operating CAPEX(3)	0.13	0.46	-	0.71	-35.4%
Operating CAPEX as % of Turnover	0.5%	1.1%	0,7pp	2.0%	-0,9pp
EBITDA - Operating CAPEX	0.75	1.52	103.7%	1.12	35.4%
Total CAPEX	0.02	0.46	-	0.76	-40.0%

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

Turnover

SSI turnover again increased significantly y.o.y and was up 47.6% in 1Q09 to 39.9 million euros, as a result of both higher IT equipment sales, which increased by more than 93% to 24.4 million euros, and higher service revenues, up by 7.6%, mainly driven by the 5.7% increase in service revenues at WeDo, with a particularly high growth registered in the Latin America region. This subsidiary continues to account for the majority (circa 67% in the 1Q09) of SSI's service revenues.

During 1Q09, equipment sales represented 61.2% of turnover, an increase of 7.7pp over the level registered in the previous quarter, driven by a positive contribution from the sale of computers at Bizdirect, partly explained by the success of laptop sales under the e-schools programme.

EBITDA

SSI EBITDA was positive 1.98 million euros in 1Q09, more than double the level registered in the same quarter in 2008 (and 8.0% up q.o.q), with EBITDA margin increasing by 1.7pp to 4.9% due mostly to the positive EBITDA evolution of WeDo and Bizdirect and notwithstanding the increased level of equipment sales, which carry lower margins.

In relation to EBITDA margin, WeDo achieved a positive 9.8% in 1Q09; a significant increase from the 2.3% margin registered in 1Q08, driven by the improved top line performance, by the increased cost efficiency in managing its international presence and by the unlock of synergies generated by the acquisitions carried out at the end of 2007.

7. Online and Media

In the 1Q09, our Media division was reorganised in order to incorporate also our other on-line portals, including the Clix portal and Miau.pt, a leading on-line auctions portal in Portugal, which, together with Publico.pt, are now managed in an integrated manner, aiming to extract all possible synergies between the businesses.

In relation to Público, advertising market dynamics deteriorated further in 1Q09, with advertising revenues for the daily paid generalist press sector as a whole, YTD until February, decreasing by 19.1%[1] compared to the same period of the previous year. As indicated in the past, these numbers refer to advertising space calculated at reference table prices, which underestimates the negative trends as competitive pressures continue to lead to higher discounts. Contrary to the market tendencies during most of 2008, in the same period, the free newspapers' advertising revenues are estimated to have also decreased, by circa 39% y.o.y.

Among the several commercial initiatives implemented in the quarter by Público it is worth highlighting the following: (i) the launch of its most recent (associated products) collection, entitled "The great mysteries of archaeology"; (ii) also in the associated product revenue stream, the campaign aimed at the sale of DVDs, for only 1.95 euros, including 8 acclaimed movies; and (iii) the promotion, in association with Catholic University, of the VI cycle of conferences "Exchanging Views" in Porto. It should also be noted that through its strategy of pioneering innovation in the digital context, Público continues to be a clear leader in the on-line access among Portuguese newspapers, an area where it is showing a positive growth.

Miau.pt, our on-line auction portal, a leading e-auction site in Portugal, reached a total of 32 million page views in last quarter in 2008. Miau.pt currently has more than 58.000 active offers in the different categories and has completed more than 7 million auctions since its launch back in 2000.

7.1. Operational data

PÚBLICO OPERATIONAL KPI's	1Q08	1Q09	y.o.y	4Q08	q.o.q
Average Paid Circulation(1)	43,284	40,005	-7.6%	41,234	-3.0%
Market Share of Advertising (%)	12.7%	11.8%	-0,9pp	13.2%	-1,4pp
Audience(2) (%)	4.1%	4.6%	0,5pp	4.5%	0,1pp
Employees	255	253	-0.8%	256	-1.2%

(1) Estimated value updated in the following quarter; (2) As % of adressable population; Source: Bareme Imprensa 1ª Vaga 2009 .

Paid circulation figures decreased by 7.6% when compared to 1Q08, with an average of 40,005 newspapers sold in 1Q09. As mentioned above, the paid press market continues to face competitive challenges, with an increase in the on-line readership of newspapers and continued competition from 'free' newspapers (which in recent months are, nevertheless, showing a substantial decrease in circulation figures). Until February 2009, the latest available information, Público's average market share of paid circulation, among daily press, reached 11.4%, approximately 0.3pp below the comparable period in 2008[2].

Positively, the most recent audience indicators continue to indicate a slight increase in the total number of readers, with Público reaching circa 4.6% of the addressable market in the 1Q09 (a 0.5pp increase against 1Q08).

Público's advertising market share reached 11.8% in 1Q09, approximately 0.9pp below the level registered in 1Q08 and 1.4pp below the previous quarter, not confirming the positive q.o.q evolution achieved in 4Q08. The deteriorating macro-economic environment is leading to further cuts in business spend during 2009, with negative impacts over advertising budgets. The advertising revenue losses registered by Público are estimated to be approximately in-line with those of its main competitors.

[1] Source: Marktest/Media Monitor
[2] Source: APCT

7.2. Financial data

Million euros

ONLINE & MEDIA CONS. INCOME STATEMENT	1Q08	1Q09	y.o.y	4Q08	q.o.q
Turnover	**7.81**	**7.41**	**-5.1%**	**8.07**	**-8.1%**
Advertising Sales[1]	3.16	3.13	-0.7%	3.40	-7.9%
Newspaper Sales	3.05	3.05	0.3%	2.94	4.0%
Associated Product Sales	1.60	1.22	-23.7%	1.73	-29.2%
Other Revenues	**0.06**	**0.05**	**-15.6%**	**0.34**	**-84.3%**
Operating Costs	**9.00**	**8.30**	**-7.7%**	**8.81**	**-5.7%**
Personnel Costs	2.91	3.05	5.1%	2.59	18.0%
Commercial Costs[2]	3.00	2.44	-18.7%	3.24	-24.7%
Other Operating Costs[3]	3.09	2.81	-9.1%	2.98	-5.7%
EBITDAP	**-1.13**	**-0.84**	**25.6%**	**-0.40**	**-111.5%**
Provisions and Impairment Losses	0.04	0.07	77.1%	0.05	21.8%
EBITDA	**-1.16**	**-0.90**	**22.3%**	**-0.45**	**-100.8%**
EBITDA Margin (%)	-14.9%	-12.2%	2,7pp	-5.6%	-6,6pp
Operating CAPEX[4]	0.10	0.15	43.0%	0.03	-
Operating CAPEX as % of Turnover	1.3%	2.0%	0,7pp	0.3%	1,7pp
EBITDA - Operating CAPEX	-1.27	-1.05	17.0%	-0.48	-121.2%
Total CAPEX	0.10	0.15	43.0%	0.03	-

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

Turnover

During 1Q09, the Online and Media turnover decreased by 5.1% to 7.41 million euros, as a reflection of different trends in its revenue lines: a 0.3% growth in newspaper sales at Público, partially explained by the cover price increase in 4Q08; more than off-set by the negative evolution in advertising sales (-0.7%), driven by the negative market trends, and in associated product sales (-23.7%), as a result of the different mix of associated products offered. In terms of recent quarterly evolution, a positive improvement was achieved in 1Q09, when compared to the previous quarter, at the level of newspaper sales (+4.0%).

Público increased its shareholding in Unipress to 50% at the end of 2008. Consequently, this subsidiary, a printing company that carries Público's, as well as other newspapers, printing in the northern part of Portugal, started, from 1 January 2009, to be proportionally consolidated in the accounts of our Online and Media business.

EBITDA

In 1Q09, our Online and Media business generated a negative EBITDA of 0.9 million euros, which nevertheless represents a 22.3% improvement over 1Q08 as the negative trend at the top line level was more than compensated by savings achieved in most of its cost lines, including a 18.7% reduction in commercial costs and a 9.1% reduction in other operating costs. Público will continue to explore brand extension opportunities, expand the newspaper's on-line presence, seeking to extract complementarities between the on-line and paper versions, and rationalise costs wherever possible.

8. Main Regulatory Developments in 1Q09

The following are some of the more relevant regulatory developments during 1Q09:

Next Generation Access Networks (NGNs)

Following the public consultation promoted in June 2008, Anacom published last January a report on the regulatory approach to NGNs. This report introduces a set of proposals representing the regulator's vision on this issue. Among other conclusions, the regulator proposes a division of the national territory in competitive and non competitive areas, in line with the decision on Markets 4 and 5. As regarding to the transition between ULL and NGN, Anacom recognizes the need to protect the investment carried by alternative operators. In this context, the incumbent should ensure a timely publication of information on the evolution of the copper network to NGN, as well as continue to provide access to the copper infrastructure (MDF and loops) for a reasonable period of time.
The regulator has given no timetable to implement the approaches presented in the report.

Legal regime on infrastructure access

The Government announced the adoption of a decree-law that defines a new legal regime for the access and use of networks and infrastructures for electronic communications. According to the press release of the Portuguese Council of Ministers, the legislation aims to promote NGN developments by removing or mitigating barriers to the infrastructure build necessary to accommodate electronic communications networks. The decree-law establishes the requirements for construction of telecommunications infrastructure during construction and urbanization ("ITUR") and strengthens the current legal regime applicable to the in-building telecommunications infrastructure ("ITED"), whereby the installation of optical fiber is now made compulsory. Alongside the establishment of clear rules for ITUR and ITED, there was a concern to impose rules that prevent the monopolization of infrastructure by the first operator to be installed inside a building. The final terms of the related decree-law are still to be known.

New mobile operator (450-470 MHz)

Anacom decided to dismiss the application of RNT - Rede Nacional de Telecomunicações, S.A. for a further extension of the deadline to comply with the obligations to provide the bank guarantee in respect of the development of information society commitments. This deadline had previously been extended by 20 working days by decision of 16 January 2009. Following this decision, the regulator issued a draft decision cancelling the awarding of the frequencies in the 450-470 MHz band to RNT.

Portability Regulation

Anacom's decision on the new portability regulation was published during 1Q09. Despite legal actions, aimed at suspending the effects of this decision, filed by TMN and PTC, to which Anacom responded by raising the public interest, the new regulation entered in force in March.
The main changes introduced were the reduction of certain timings, with significant implications in the portability processes, and the introduction of financial compensations for breach of terms regarding the porting processes.

9. Main Corporate Developments in 1Q09

Acquisition of own shares

From 13 March to 8 April 2009, Sonaecom purchased, through the Euronext Lisbon Stock Exchange, a total of 1,419,802 own shares representing approximately 0.39% of its share capital. The weighted average price of all the purchases referred above stood at 1.4 euros per share.
As at 8 April 2009, following the transfer, during March, of a total of 786,243 Sonaecom shares to employees and Directors, as part of the obligations of the employee's Medium Term Incentive Plan, Sonaecom was the holder of 6,564,202 own shares, representing approximately 1.79% of its share capital.

Merger of Telemilénio with Sonaecom - Serviços de Comunicações

With accounting effects from 1 January 2009, Telemilénio Telecomunicações, Sociedade Unipessoal, Lda. (former "Tele2 Portugal") was merged in operational terms into Sonaecom – Serviços de Comunicações, S.A (our Telco operational subsidiary). This process was aimed at assuring both the quality of service and Sonaecom functionalities and services to previous Tele2 customers and has finally eliminated all the hurdles, namely in terms of network, that have delayed the achievement of the expected synergies during part of 2008.

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.

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