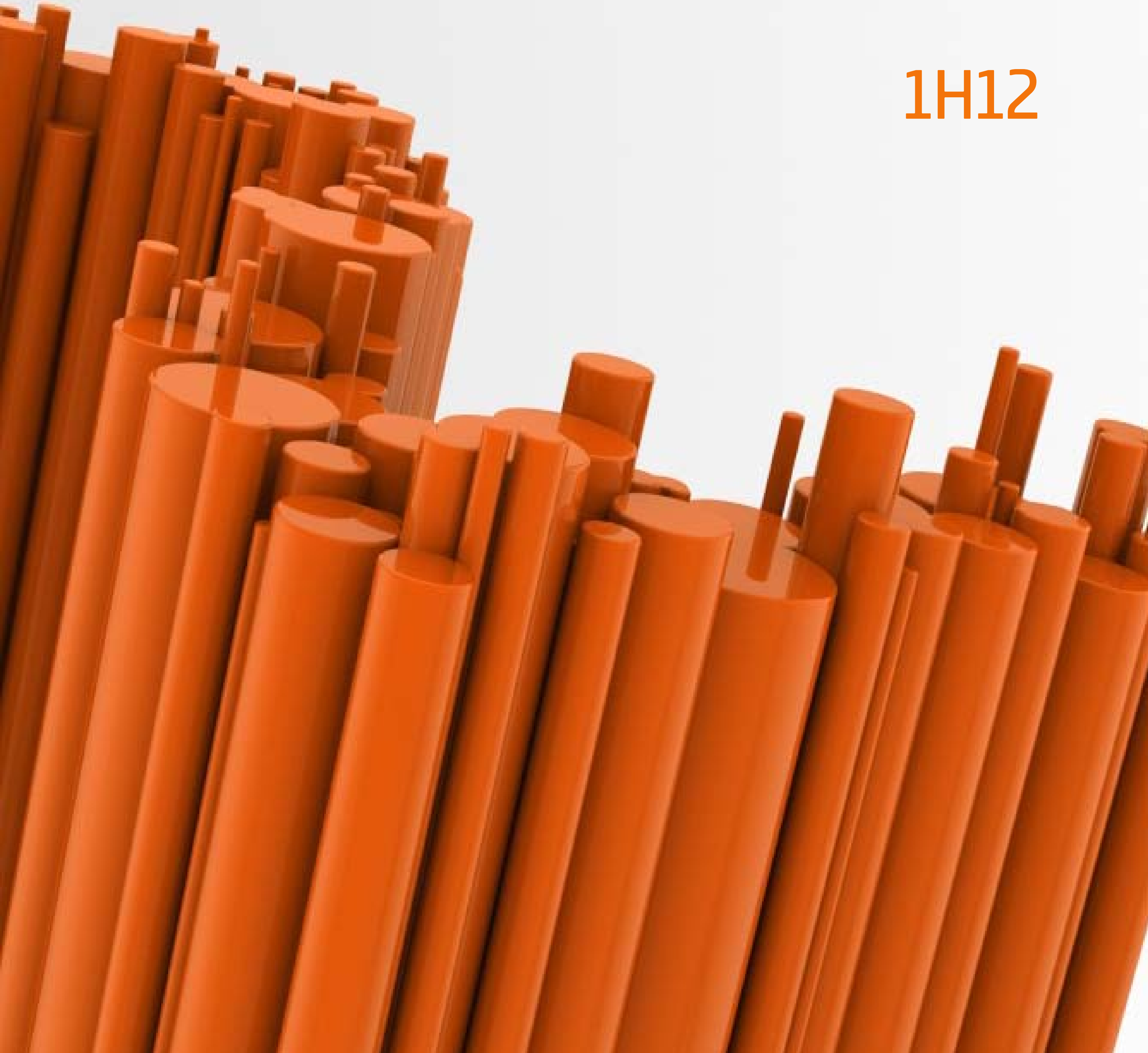
Results Announcement

1H12



Note:

The Consolidated Financial Information contained in this report was 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.

Highlights

- Consolidated turnover of 406.9 million euros
- EBITDA of 124.5 million euros
- EBITDA-operating capex of 65.6 million euros
- Net results totals 38.1 million euros
- FCF reaches 26.7 million euros (excluding extraordinary impacts)
- Net debt to EBITDA ratio of 1.5x

"2Q12 is the sixteenth consecutive quarter in which we have recorded year-on-year growth in profitability, which provides further evidence of Sonaecom's consistently strong financial performance."

"Differentiating our brand from the competition, by delivering an excellent customer experience, lies at the heart of our strategy. Alongside improving efficiency levels, Optimus won recognition in two business-critical areas: network coverage and customer service. Our network was distinguished in terms of quality both in terms of 2G and 3G coverage. Meanwhile, for the second year running, we won first prize in the 'Best in Customer Service – EMEA' category."

"Driven by WeDo's performance, service revenue growth at SSI more than offset the decline in equipment sales, resulting in growth in total turnover, as well as improved profit margins."

Ângelo Paupério, CEO, Sonaecom

Our business

In 1H12, Sonaecom's turnover benefited from the positive performance of Software and Information Systems (SSI), with 2Q12 service revenues more than offsetting the decline in product sales, which – combined with reduced operating costs – enabled us to achieve an EBITDA growth of 6.1% y.o.y., to 124.5 million euros. Based on our consistent performance over 1H12, our cash flow generation, excluding extraordinary effects, amounted to 26.7 million euros, representing an increase of 21.9% compared to 21.9 million euros in the 1H11. Also, net results rose 19.9% against last year to 38.1 million euros.

During this period, Optimus's operating profitability sustained its upward trend, growing 5.0% y.o.y to 121.9 million euros on the back of efficiency initiatives at the company. In particular, we would highlight the 2Q12 mobile EBITDA margin of 45.4%, up 5.2pp y.o.y. As a result of our focus on deploying our leading edge 4G network, mobile operating capex increased 19.5% to 47.9 million euros.

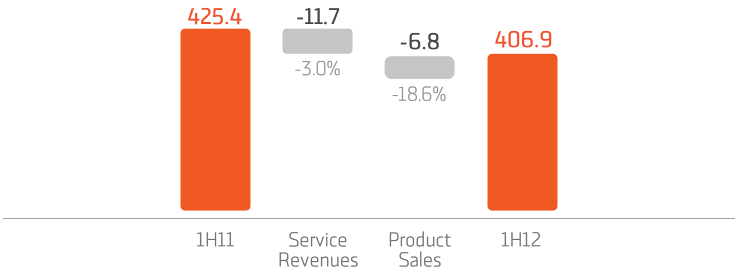
At SSI, following the acquisition in the USA of Connectiv Solutions during April 2012, WeDo Technologies has already been selected by one of the largest US wireless carriers to support its business assurance needs. During 1H12, WeDo's international revenues represented 69.4% of turnover, growing 5.0% versus 1H11.

Throughout 2012, we will continue to deal with the impacts of the consumer spending behaviour on our business, while improving our competitive position.

1. Consolidated results

Turnover

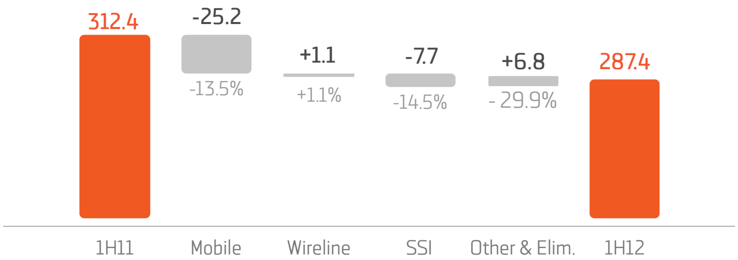
Consolidated turnover in 1H12 stood at 406.9 million euros, 4.3% below 1H11 but slowing down against the 6.2% decline in 1Q12. Here, a significant driver was SSI's turnover growth, with service revenue growth more than offsetting a decline in product sales in this quarter.



The evolution of our consolidated turnover was driven by a decrease of 3.0% in service revenues and a decrease of 18.6% in product sales. The drop in service revenues was driven by Optimus's service revenues, which were impacted by regulated tariffs (mobile termination rates, MTRs, and roaming in) and Portugal's austerity economic environment. The negative growth of product sales is explained by our SSI division, mostly due to Bizdirect, consequence of the termination of the e-initiatives programme and the macroeconomic context.

Operating costs

Operating costs decreased 8.0% between 1H11 and 1H12 to 287.4 million euros. This is explained by the optimisation plan carried out over the past few years at Optimus and the lower cost of goods sold at SSI. With Optimus's ongoing efficiency measures, the company has been reducing its cost structure while achieving significant improvements to several key indicators.

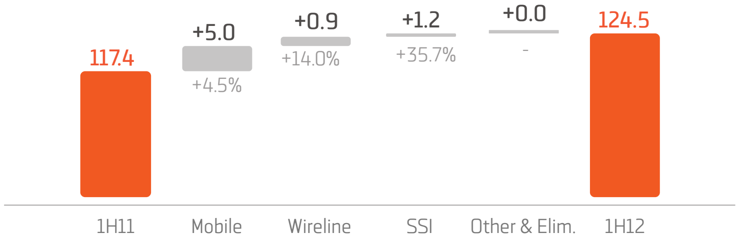


Between 1H11 and 1H12, operating costs as a percentage of turnover decreased 2.9pp.

EBITDA

Our consolidated EBITDA increased 6.1% to 124.5 million euros, more than offsetting the consolidated turnover performance, with all the business divisions evolving positively between the two periods.

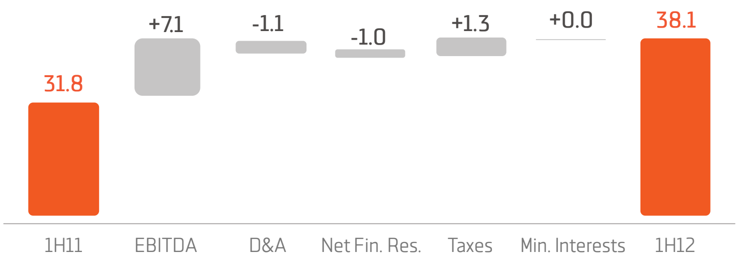
The consolidated EBITDA margin increased 3.0pp from 27.6% to 30.6%. Importantly, the 2Q12 mobile EBITDA margin stood at 45.4%.



Net profit

The net results group share reached 38.1 million euros, growing 19.9% compared to 1H11, mainly driven by the improved EBITDA performance.

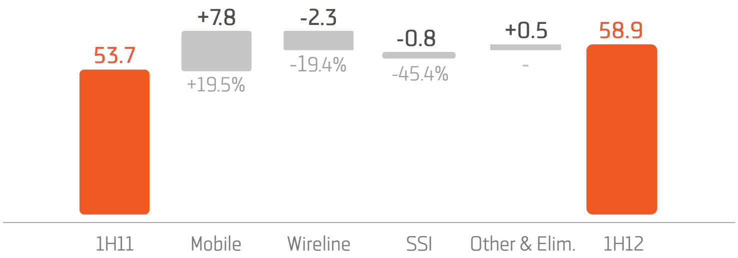
The evolution of our net financial results was primarily impacted by a higher level of financial expenses, the result of a higher average net debt level and a higher cost of debt.



Notwithstanding the higher EBT level, the tax line in 1H12 showed a cost of 6.6 million euros against a cost of 7.9 million euros in 1H11, due to the recognition of additional deferred tax assets.

Operating capex

During the 1H12, operating capex grew 9.7% y.o.y.. This was impacted by the 4G network deployment at our mobile business. Additionally, Optimus continued to implement solutions that enabled us to reduce mobile backhaul costs while decreasing dependency on third-party infrastructure.

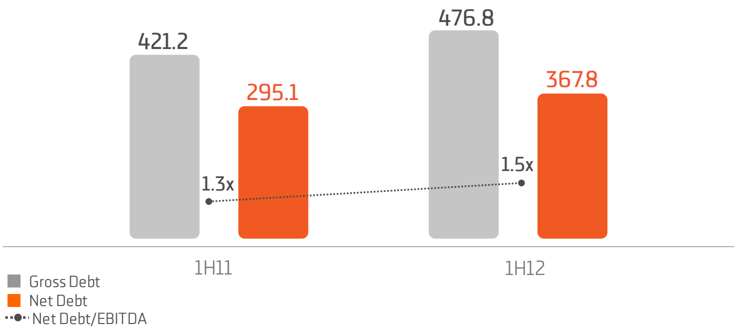


The operating capex as a percentage of turnover increased 1.9pp y.o.y., to 14.5%, driven by the 4G investment cycle.

Capital structure

Consolidated net debt reached 367.8 million euros compared to 355.8 million euros at the end of 1Q12, due to the 25.2 million euros dividend distribution, compensated by the positive FCF generation.

The 1H12 net debt increased 24.7% against 1H11, driven mostly by the 83.0 million euros outflow related to the spectrum acquisition. The net debt to EBITDA ratio increased from 1.3x to 1.5x in 1H12, due to a higher net debt level, which more than offsets the positive EBITDA performance.



In 1H12, total credit facilities amounted to 549.0 million euros while the all-in average cost of debt reached 3.25%.

Free cash flow (FCF)

FCF stood at negative 72.3 million euros in 1H12, impacted by (i) the outflow of 10.0 million euros related to the securitisation operation; (ii) the 83.0 million euros outflow in January, relating to the spectrum acquisition; and (iii) a payment of 6.0.million euros related to the Connectiv Solutions acquisition at the end of April 2012.

Excluding these effects, 1H12 FCF would have amounted to 26.7 million euros, representing an increase of 21.9% compared to the 21.9 million euros achieved in the 1H11 (excluding the securitisation outflow).

In 2Q12, the 8.8 million euros VAT amount was reimbursed, offsetting the negative extraordinary impact reported in 1Q12.

2. Optimus

- **Optimus EBITDA reaches 121.9 million euros, up 5.0% y.o.y**
- **Optimus mobile EBITDA margin rises to 45.4% in 2Q12, up 5.2pp y.o.y**
- **Data revenues represents 32.8% of mobile service revenues in 2Q12**

Optimus customer experience as a strategic key differentiation driver

While becoming a much more efficient business, Optimus has been achieving important improvements across several key indicators linked to its network and customer service.

In a report published in May 2012, the Optimus network led again in terms of 2G and 3G coverage in urban areas, according to the ICP-ANACOM analysis that evaluated the quality of mobile services and coverage of mobile networks in Portugal.

In May 2012, for the third consecutive year, Optimus customer service was commended at the APCC Portugal Best Awards 2012, winning the prizes at the telecommunications category. In July 2012, the Optimus customer support team participated in the 2012 World Contact Center Award, winning first prize in the 'Best in Customer Service – EMEA' category for the second consecutive time. This category is the most relevant and comprehensive of all categories in the competition, which is considered the world's most important customer care prize.

2.1. Optimus mobile business

In 2Q12, the decline in Optimus's mobile customer revenues accelerated as expected, due to the impact of Portugal's austerity measures. Despite the pressure, the mobile EBITDA margin reached 43.8%, one of the highest margins among third mobile operators in Europe. Driven by efficiencies achieved through our ongoing optimisation plan, it saw us close the gap on our competitors.

2.1.1. Operational data

MOBILE OPERATIONAL KPI's	2Q11	2Q12	Δ 12/11	1Q12	q.o.q.	1H11	1H12	Δ 12/11
Customers (EOP) ('000)	3,586.4	3,565.0	-0.6%	3,609.9	-1.2%	3,586.4	3,565.0	-0.6%
Pre-paid Customers ('000)	2,378.7	2,364.3	-0.6%	2,398.5	-1.4%	2,378.7	2,364.3	-0.6%
Post-paid Customers ('000)	1,207.7	1,200.6	-0.6%	1,211.3	-0.9%	1,207.7	1,200.6	-0.6%
Net Additions ('000)	-19.4	-44.9	-131.6%	-29.5	-52.2%	-17.7	-74.4	-
Data as % Service Revenues	32.8%	32.8%	0.0pp	31.3%	1.4pp	32.0%	32.0%	0.0pp
Non SMS Data as % Data Revenues	77.2%	76.6%	-0.6pp	76.4%	0.1pp	77.0%	76.5%	-0.5pp
Total #SMS/month/user	42.8	41.9	-2.1%	40.6	3.2%	42.5	41.2	-3.0%
MOU(1) (min.)	127.1	123.4	-2.9%	122.2	1.0%	126.3	122.8	-2.8%
ARPU(2) (euros)	13.0	12.0	-7.3%	12.0	-0.1%	12.8	12.0	-6.1%
Customer Monthly Bill	11.3	10.6	-6.1%	10.6	-0.2%	11.1	10.6	-4.8%
Interconnection	1.7	1.4	-15.2%	1.433	0.8%	1.7	1.4	-14.8%
ARPM(3) (euros)	0.10	0.10	-4.6%	0.10	-1.1%	0.10	0.10	-3.5%

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

Customer base

Optimus' mobile customer base stood at 3.57 million, down 0.6% y.o.y., driven by the end of the government's e-initiatives programme and the impact of Portugal's austerity measures, mainly in the personal sector.

Mobile customers' ARPU at 1H12 stood at 12.0 euros, with the 2Q12 ARPU stable versus the 1Q12, but decreasing 0.8 euros compared to 1H11. This fall came on the back of lower interconnection revenues, which decreased from 1.7 euros to 1.4 euros, and a lower customer monthly bill, which decreased from 11.1 euros to 10.6 euros. MOUs decreased 2.8% y.o.y. to an average of 123 minutes per month.

Data services and mobile broadband

Data revenues represented 32.0% of service revenues in 1H12, a flat evolution compared to 1H11. This was fuelled by the increasing smartphone adoption and the increased usage of these mobile devices, compensating for the impact of the end of the e-initiatives programme. However, smartphone penetration is still relatively low in Portugal and, therefore, represents an important growth opportunity. The weight of non-SMS related data remained almost stable between the two periods, decreasing 0.5pp despite the impact of the e-initiatives programme termination.

2.1.2. Financial data

Million euros

MOBILE INCOME STATEMENT	2Q11	2Q12	Δ 12/11	1Q12	q.o.q.	1H11	1H12	Δ 12/11
Turnover	**142.9**	**131.0**	**-8.3%**	**131.5**	**-0.4%**	**280.3**	**262.5**	**-6.4%**
Service Revenues	136.1	125.7	-7.6%	127.0	-1.0%	269.4	252.6	-6.2%
Customer Revenues	118.2	110.6	-6.4%	111.9	-1.2%	233.9	222.4	-4.9%
Operator Revenues	17.9	15.1	-15.5%	15.1	-0.1%	35.6	30.2	-14.9%
Equipment Sales	6.9	5.3	-22.2%	4.5	18.8%	10.9	9.8	-9.9%
Other Revenues	**8.3**	**7.8**	**-6.0%**	**6.8**	**14.6%**	**17.0**	**14.6**	**-14.1%**
Operating Costs	**93.7**	**79.3**	**-15.4%**	**82.9**	**-4.4%**	**187.4**	**162.2**	**-13.5%**
Personnel Costs	12.5	10.1	-19.2%	12.0	-16.1%	25.8	22.1	-14.4%
Direct Servicing Costs(1)	33.8	28.6	-15.2%	29.5	-3.0%	69.9	58.1	-16.9%
Commercial Costs(2)	19.7	13.7	-30.2%	13.6	1.2%	36.6	27.3	-25.3%
Other Operating Costs(3)	27.8	26.8	-3.4%	27.8	-3.6%	55.1	54.7	-0.7%
EBITDA	**57.5**	**59.5**	**3.5%**	**55.4**	**7.5%**	**109.9**	**114.9**	**4.5%**
EBITDA Margin (%)	40.2%	45.4%	5.2pp	42.1%	3.3pp	39.2%	43.8%	4.6pp
Operating CAPEX(4)	23.0	28.1	22.0%	19.8	41.6%	40.1	47.9	19.5%
Operating CAPEX as % of Turnover	16.1%	21.4%	5.3pp	15.1%	6.4pp	14.3%	18.2%	3.9pp
EBITDA - Operating CAPEX	34.5	31.5	-8.8%	35.5	-11.5%	69.8	67.0	-4.1%
Total CAPEX	23.0	29.1	26.5%	19.8	46.9%	40.1	48.9	21.9%

(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 + Provisions + others; (4) Operating CAPEX excludes Financial Investments.

Turnover

Mobile turnover decreased 6.4% in 1H12 to 262.5 million euros, driven by service revenues and equipment sales. The decline in service revenues was due to a combination of lower customer revenues and lower operator revenues. As we anticipated, customer revenues decreased 4.9% between 1H11 and 1H12 to 222.4 million euros due to the end of the government's e-initiatives programme and due to the negative impact of the austerity on consumption levels, mostly in the personal sector. Operator revenues decreased 14.9% between 1H11 and 1H12 to 30.2 million euros because of lower regulated tariffs, MTRs and roaming in.

Operating costs

As a result of Optimus' operational efficiency plan to create a leaner organisation, mobile operating costs decreased 13.5% y.o.y. to 162.2 million euros, benefiting from (i) a 16.9% decrease in the level of direct servicing costs, due to a lower level of leased lines and network-related costs, as Optimus continues to reduce its dependency on rented infrastructure, and due to lower level of interconnection costs, driven by lower mobile termination rates; and, (ii) a 25.3% decrease in commercial costs, due to lower level of cost of goods sold (as a result of lower equipment sales) and, mostly, due to lower advertising costs.

EBITDA

Mobile EBITDA increased 4.5% y.o.y. to 114.9 million euros, wholly driven by a 14.6% decrease in operating costs.
The EBITDA margin reached 43.8% in 1H12 against 39.2% in 1H11, an increase of 4.6pp.
EBITDA-operating capex decreased 4.1% y.o.y., due entirely to an increase of 19.5% in operating capex, impacted by the 4G network deployment.

2.2. Optimus wireline business

In 1H12, Optimus continued to achieve a positive performance in the corporate and SMEs segment, critical segment for our strategy. Supported on its integrated and convergent approach, Optimus has been continuously introducing important improvements to its product portfolio in response to market demand.

In the residential segment, Optimus continues to expand its FTTH customer base, which grew almost 50% against last year with 3P penetration surpassing 80%.

2.2.1. Operational data

WIRELINE OPERATIONAL KPI's	2Q11	2Q12	Δ 12/11	1Q12	q.o.q.	1H11	1H12	Δ 12/11
Total Accesses	**388,915**	**354,449**	**-8.9%**	**363,965**	**-2.6%**	**388,915**	**354,449**	**-8.9%**
Corporate and SMEs	**154,651**	**155,143**	**0.3%**	**155,246**	**-0.1%**	**154,651**	**155,143**	**0.3%**
PTSN/RDIS	110,296	111,039	0.7%	111,136	-0.1%	110,296	111,039	0.7%
Broadband	36,122	32,472	-10.1%	33,545	-3.2%	36,122	32,472	-10.1%
Other & Data	8,233	11,632	41.3%	10,565	10.1%	8,233	11,632	41.3%
Residential	**234,264**	**199,306**	**-14.9%**	**208,719**	**-4.5%**	**234,264**	**199,306**	**-14.9%**
PTSN/RDIS	112,044	88,147	-21.3%	94,059	-6.3%	112,044	88,147	-21.3%
Broadband	89,300	74,229	-16.9%	78,017	-4.9%	89,300	74,229	-16.9%
TV	32,920	36,930	12.2%	36,643	0.8%	32,920	36,930	12.2%
Average Revenue per Access - Retail	23.8	23.4	-1.9%	23.0	1.6%	24.0	23.2	-3.3%

Customer base

Optimus continued to expand its presence in the corporate and SMEs segment, with the number of accesses increasing 0.3% to 155 thousand. Besides providing voice and broadband accesses, Optimus also provides an increasing number of e-services (for example: e-fax, e-backup) to the SME segment alongside a growing number of dedicated lines and VPN connections to the corporate segment.

The number of total accesses decreased 8.9% y.o.y. to 354 thousand accesses, driven by the decrease of 14.9% in the residential segment. This was impacted by the decision to abandon residential customer acquisition through the incumbent's infrastructure, which was implemented in 2011.

2.2.2. Financial data

Million euros WIRELINE INCOME STATEMENT	2Q11	2Q12	Δ 12/11	1Q12	q.o.q.	1H11	1H12	Δ 12/11
Turnover	**52.2**	**55.4**	**6.0%**	**53.4**	**3.7%**	**106.9**	**108.8**	**1.7%**
Service Revenues	52.1	53.8	3.2%	52.4	2.6%	106.7	106.2	-0.5%
Customer Revenues	26.6	23.6	-11.5%	24.0	-1.7%	54.3	47.5	-12.5%
Operator Revenues	25.4	30.2	18.7%	28.4	6.2%	52.4	58.6	12.0%
Equipment Sales	0.1	1.6	-	1.0	59.9%	0.2	2.6	-
Other Revenues	**0.3**	**0.4**	**19.0%**	**0.2**	**103.5%**	**0.4**	**0.5**	**33.2%**
Operating Costs	**48.9**	**51.8**	**6.0%**	**50.5**	**2.5%**	**101.2**	**102.3**	**1.1%**
Personnel Costs	0.7	0.9	36.8%	1.0	-7.5%	1.4	1.9	38.4%
Direct Servicing Costs(1)	35.5	37.6	5.9%	37.3	0.9%	73.0	74.9	2.5%
Commercial Costs(2)	2.0	4.0	99.2%	3.6	10.4%	5.0	7.6	52.8%
Other Operating Costs(3)	10.7	9.3	-13.2%	8.7	7.2%	21.8	17.9	-17.8%
EBITDA	**3.7**	**3.9**	**7.0%**	**3.1**	**28.4%**	**6.1**	**7.0**	**14.0%**
EBITDA Margin (%)	7.0%	7.1%	0.1pp	5.7%	1.4pp	5.7%	6.4%	0.7pp
Operating CAPEX(4)	6.2	5.3	-14.9%	4.3	24.9%	11.9	9.6	-19.4%
Operating CAPEX as % of Turnover	12.0%	9.6%	-2.4pp	8.0%	1.6pp	11.1%	8.8%	-2.3pp
EBITDA - Operating CAPEX	-2.6	-1.4	46.0%	-1.2	-16.1%	-5.8	-2.6	55.0%
Total CAPEX	6.2	5.3	-14.9%	4.3	24.9%	11.9	9.6	-19.4%

(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 + Provisions + others; (4) Operating CAPEX excludes Financial Investments.

Turnover

Wireline turnover increased 1.7% y.o.y. to 108.8 million euros due entirely to a 12.0% growth in the level of operator revenues. This growth was driven by an increase in traffic levels despite a decrease in wholesale traffic prices.

Operating costs

Wireline operating costs suffered a 1.1% y.o.y. increase to 102.3 million euros, driven by the 2.5% increase in direct servicing costs. This was due to the higher level of interconnection costs, the consequence of an increase in wholesale traffic, despite the decrease in ULL accesses. Commercial costs increased to 7.6 million euros due to the higher costs of goods sold as well as marketing costs. Other operating costs decreased 17.8% primarily due to lower outsourcing costs.

EBITDA

As a result of our revenue and cost performance, the 1H12 Wireline EBITDA increased 14.0% y.o.y., reaching 7.0 million euros. The EBITDA margin increased from 5.7% to 6.4%, growing 0.7pp y.o.y.. EBITDA-operating capex improved 55.0%, between the two periods, reaching a negative 2.6 million euros. This was supported by a higher EBITDA and lower operating capex.

3. Software and Information Systems

WeDo Technologies, SSI's largest company in terms of service revenues, continued to expand its international footprint while focusing on the acquisition of new projects in the business assurance market. Presently, WeDo Technologies has more than 150 clients in 80 countries. During 1H12, its international revenues represented 69.4% of its turnover, growing 5.0% compared to 1H11.

In April 2012, with the acquisition of Connectiv Solutions, WeDo Technologies ensured a solid basis in the USA with a Software as a Service (SaaS) operation, reinforcing its position in the business assurance telecoms market. In July 2012, one of the largest wireless carriers in the United States selected WeDo's flagship product, RAID, to support the company's revenue and billing assurance needs, a deal that leverages assets from both WeDo Technologies and Connectiv Solutions.

Mainroad, specialising in IT management, security and business continuity, was able to increase its service revenues by 2.1%, improving its EBITDA almost 90% between 1H11 and 1H12, despite the challenging market conditions.

Bizdirect, affected by the end of the e-initiatives programme and by the macroeconomic landscape, reported a turnover decline of almost 40%. However, the company strengthened its position as a leading player in multi-brand IT solutions, supported by partnerships with the market's main manufacturers and by the management of corporate software licensing contracts. We would like to highlight the company's growth of 29.0% in international revenues against 1H11.

Saphety strengthened its position as a leading player in solutions for simplifying and automating processes in the domestic market. It also increased its customer base worldwide with international revenues already representing 15.2% of total turnover.

3.1. Operational data

SSI OPERATIONAL KPI's	2Q11	2Q12	Δ 12/11	1Q12	q.o.q.	1H11	1H12	Δ 12/11
IT Service Revenues/Employee[1] ('000 euros)	32.7	34.7	6.1%	33.0	5.0%	65.3	67.8	3.8%
Equipment Sales as % Turnover	22.1%	18.6%	-3.5pp	26.3%	-7.8pp	36.1%	22.4%	-13.7pp
Equipment Sales/Employee[2] ('000 euros)	202.8	219.3	8.1%	303.9	-27.8%	807.3	523.2	-35.2%
EBITDA/Employee ('000 euros)	2.5	3.6	41.7%	0.0	-	5.9	3.7	-37.0%
Employees	572	603	5.4%	561	7.5%	572	603	5.4%

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

IT service revenues per employee reached 67.8 thousand euros in 1H12, 3.8% above 1H11, with service revenues growth more than compensating the 5.4% increase in the headcount.
Equipment sales as percentage of turnover decreased y.o.y. from 36.1% to 22.4%, driven by Bizdirect equipment sales.

3.2. Financial data

Million euros

SSI CONSOLIDATED INCOME STATEMENT	2Q11	2Q12	Δ 12/11	1Q12	q.o.q.	1H11	1H12	Δ 12/11
Turnover	**23.0**	**24.8**	**8.0%**	**24.2**	**2.3%**	**55.9**	**49.0**	**-12.3%**
Service Revenues	17.9	20.2	12.9%	17.8	13.1%	35.7	38.0	6.5%
Equipment Sales	5.1	4.6	-9.2%	6.4	-27.8%	20.2	11.0	-45.6%
Other Revenues	**0.1**	**0.2**	**56.1%**	**0.5**	**-65.1%**	**0.3**	**0.7**	**154.4%**
Operating Costs	**21.6**	**22.8**	**5.5%**	**22.2**	**2.8%**	**52.8**	**45.2**	**-14.5%**
Personnel Costs	7.4	8.1	10.1%	7.1	14.3%	15.0	15.3	1.9%
Commercial Costs(1)	5.2	5.1	-1.6%	6.5	-22.2%	20.3	11.6	-42.7%
Other Operating Costs(2)	9.1	9.6	5.8%	8.7	10.4%	17.6	18.3	4.1%
EBITDA	**1.4**	**2.2**	**49.3%**	**2.4**	**-10.6%**	**3.4**	**4.6**	**35.7%**
EBITDA Margin (%)	6.3%	8.7%	2.4pp	9.9%	-1.3pp	6.0%	9.3%	3.3pp
Operating CAPEX(3)	1.0	0.2	-75.7%	0.8	-69.0%	1.8	1.0	-45.4%
Operating CAPEX as % of Turnover	4.3%	1.0%	-3.3pp	3.2%	-2.2pp	3.3%	2.0%	-1.2pp
EBITDA - Operating CAPEX	0.5	1.9	-	1.6	16.6%	1.5	3.6	133.7%
Total CAPEX	1.0	10.3	-	0.8	-	1.8	11.0	-

(1) Commercial Costs = COGS + Mktg & Sales; (2) Other Operating Costs = Outsourcing Services + G&A + Provisions + others; (3) Operating CAPEX excludes Financial Investments,

Turnover

SSI's turnover decreased y.o.y. by 12.3% to 49.0 million euros, impacted by the 45.6% drop in equipment sales at Bizdirect. Service revenues continued to rise, growing 6.5% y.o.y. and already benefiting from the acquisition of Connectiv Solutions. Since 1 May 2012, Connectiv Solutions results have been consolidated into SSI's accounts. On a like-for-like basis, service revenues would have grown 3.6% y.o.y..

It should be noted that SSI turnover increased 8.0% to 24.8 million euros between 2Q11 and 2Q12, now more than offsetting the decline in product sales.

Operating costs

SSI operating costs decreased y.o.y. by 14.5% to 45.2 million euros. The 42.7% decrease in the level of commercial costs is mostly a direct result of the lower cost of goods sold level at Bizdirect. Personnel costs increased 1.9% following the integration of Connectiv Solutions staff. The increase in other operating costs relates mainly to higher outsourcing costs, aimed at supporting the increased number of projects in course, as reflected in service revenues.

EBITDA

During 1H12, EBITDA reached 4.6 million euros, increasing 35.7% compared to 1H11. This was due to higher service revenues and lower operating costs. As a result of (i) the lower equipment sales, (ii) the higher service revenues and (iii) the decrease in operating costs, the EBITDA margin increased y.o.y. from 6.0% to 9.3%, up 3.3pp.

Excluding the effect of Connectiv Solutions' consolidation, the EBITDA would have increased 27.2% against 1H11.

4. Online & Media

Sonaecom's Online & Media business comprises a set of additional businesses such as Miau.pt and Público.

Motivated by the digital Público's global number of readers is increasing, amounting to the highest values ever. Currently, Público is a clear leader on social networks, exceeding 250 thousand followers on Facebook. Digital revenues have been growing, but until now they have not been enough to offset falling revenues from advertising and offline circulation.

The considerably lower level of advertising sales against the negative macroeconomic backdrop inevitably impacted the Online & Media EBITDA. Even so, at a negative 1.33 million euros, the EBITDA almost remained stable in 1H12 versus 1H11.

5. Main regulatory developments in 2Q12

MTR's glide path

2 May 2012

ICP-Anacom released the final decision on MTRs. This decision established a decrease from 7 May to 30 December 2012.

ICP-Anacom final decision - 2 May 2012

	MTR's/€
-	0.0350
7 May 2012	0.0277
30 June 2012	0.0227
30 September 2012	0.0177
30 December 2012	0.0127

This final decision follows the European Commission statement of 26 April 2012, which did not include any comment to ICP-Anacom's draft proposal.

Renewal of rights of use of frequencies the 900 and 1800 MHz band

24 May 2012

ICP-ANACOM has approved the final decision on the renewal of rights of use of the frequencies allocated during 1997 to Optimus in the 900 and 1800 MHz frequency bands.
The rights of use were extended by 15 years to November 2027 and the conditions for the renewal include the obligation to maintain the current levels of coverage for voice and data services (up to 9600 bps) and to cover local or specific areas determined by the regulator.

Universal Service (US) Funding

25 May 2012

The Government presented a draft law establishing the conditions for the compensation fund to finance the excessive net costs arising from the terms of the US.

According to the draft-law, telecom providers must contribute to the fund if the eligible turnover represents 1% of the industry's turnover. The eligible turnover corresponds to the value of sales and services in the national territory, deducted from the revenues of activities not related to provision of electronic communications services, revenues from transactions between entities belonging to the same company and the equipment sales.

The Government's proposals foresees that the fund should finance the excessive costs of US after the designation of the new US providers through a public tender and also before such a tender is completed.

6. Main corporate developments in 2Q12

Acquisition of own shares

2 April to 25 May 2012

In accordance with authorisations granted by the Shareholders' General Meeting and for the purpose of fulfilling the obligations arising from the employees' Medium Term Incentive Plan, Sonaecom purchased between 2 April and 25 May 2012 a total of 1,958,554 shares representing approximately 0.53% of its share capital through the Euronext Lisbon Stock Exchange. As of 30 June 2012, Sonaecom held 6,897,791 own shares, representing 1.88% of its share capital.

Annual General Meeting

27 April 2012

Sonaecom shareholders decided at the Company's Annual General Meeting:

1. To approve the Company's Annual Report, the individual and consolidated Annual Accounts for 2011, including appendices thereto, as presented by the Board of Directors.
2. To approve the proposed appropriation of the Net Results for year ended 31 December 2011, as follows:
   - (i) The negative net income in Sonaecom Individual accounts, in the amount of 7,960,681.56 Euros is transferred to Free Reserves;
   - (ii) A total of 25,637,280.76 Euros of Free Reserves is paid to shareholders, corresponding to a gross value of 0.07 Euros per share in respect of the total number of shares issued, but excluding own shares held by the Company at the date of the payment;
   - (iii) No payment will be made in respect of own shares held by the Company on the above payment date and the equivalent gross amount of 0.07 Euros will be added to Accumulated Distributable Reserves.

   It was also approved that, as it is not possible to determine the exact number of own shares that will be held by the Company on the above payment date, without limiting the Company's capacity to transact shares in the meantime, for clarification purposes:
   - (i) For each share issued, a gross amount of 0.07 Euros will be paid;
   - (ii) No payment will be made in respect of own shares held by the Company on the above payment date and the equivalent gross amount of 0.07 Euros will be added to Accumulated Distributable Reserves.
3. To approve a vote of appreciation and confidence in the work performed by the Board of Directors, Statutory Audit Board and Statutory External Auditor of Sonaecom, SGPS, S.A., during the year ended 31 December 2011;
4. To elect the members for the statutory governing bodies for the four-year mandate 2012-2015;
5. To elect as Statutory External Auditor of the Company for the four-year mandate 2012-2015: Deloitte & Associados, SROC, represented by António Manuel Martins Amaral or by João Luís Falua Costa da Silva;
6. To approve the remuneration and compensation policy of the statutory governing bodies and persons discharging managerial responsibilities ("Dirigentes") as well as the attribution share plan and respective regulation, to be executed by the Shareholders' Remuneration Committee, as per the terms of the proposal presented by the Shareholders' Remuneration Committee and previously disclosed;
7. To approve the remuneration of the Shareholder's Remuneration Committee, as per the terms of the proposal presented and previously disclosed;
8. To authorise the Board of Directors, over the next 18 months, to purchase and sale of own shares up to the legal limit of 10% as per the terms of the proposal presented by that body and previously disclosed;
9. To authorise over the next 18 months, and under the legal limits, the purchase and holding of shares of the Company by its controlled companies, as per the terms of the proposal presented by that body and previously disclosed.

Acquisition of Connectiv Solutions

30 April 2012

WeDo Technologies acquired Connectiv Solutions, a US-based company that provides management of telecommunications network usage expenses. The deal will strengthen WeDo Technologies' presence in North America, bringing a huge boost to the company's geographical strategy and further cement the company's global leadership position in revenue and business assurance.

7. Appendix

7.1. Sonaecom consolidated income statement

Million euros

CONSOLIDATED INCOME STATEMENT	2Q11	2Q12	Δ 12/11	1Q12	q.o.q.	1H11	1H12	Δ 12/11
Turnover	**209.6**	**204.5**	**-2.4%**	**202.5**	1.0%	**425.4**	**406.9**	**-4.3%**
Mobile	142.9	131.0	-8.3%	131.5	-0.4%	280.3	262.5	-6.4%
Wireline	52.2	55.4	6.0%	53.4	3.7%	106.9	108.8	1.7%
SSI	23.0	24.8	8.0%	24.2	2.3%	55.9	49.0	-12.3%
Other & Eliminations	-8.5	-6.7	21.7%	-6.6	-0.6%	-17.7	-13.3	24.8%
Other Revenues	2.0	**2.7**	36.5%	2.3	14.4%	4.3	**5.0**	**15.3%**
Operating Costs	**149.6**	**142.9**	**-4.4%**	**144.5**	**-1.1%**	**312.4**	**287.4**	**-8.0%**
Personnel Costs	22.9	22.2	-3.3%	22.0	0.6%	47.3	44.2	-6.5%
Direct Servicing Costs(1)	60.1	58.7	-2.2%	58.7	0.1%	124.5	117.5	-5.7%
Commercial Costs(2)	27.7	24.0	-13.4%	25.6	-6.3%	63.1	49.5	-21.6%
Other Operating Costs(3)	38.9	38.1	-2.2%	38.2	-0.3%	77.4	76.2	-1.6%
EBITDA	**61.9**	**64.2**	**3.6%**	**60.3**	**6.4%**	**117.4**	**124.5**	**6.1%**
EBITDA Margin (%)	29.6%	**31.4%**	1.8pp	29.8%	1.6pp	27.6%	**30.6%**	3.0pp
Mobile	57.5	59.5	3.5%	55.4	7.5%	109.9	114.9	4.5%
Wireline	3.7	3.9	7.0%	3.1	28.4%	6.1	7.0	14.0%
SSI	1.4	2.2	49.3%	2.4	-10.6%	3.4	4.6	35.7%
Other & Eliminations	-0.7	-1.4	-107.2%	-0.5	-176.1%	-2.0	-1.9	6.0%
Depreciation & Amortization	37.2	37.2	0.0%	36.8	1.1%	72.9	74.0	1.5%
EBIT	**24.7**	27.0	**9.2%**	**23.5**	**14.8%**	**44.5**	50.5	**13.6%**
Net Financial Results	**-2.5**	-3.5	**-39.5%**	**-2.3**	**-50.7%**	**-4.8**	-5.8	**-21.8%**
Financial Income	1.7	1.4	-14.3%	2.2	-33.4%	3.2	3.6	13.8%
Financial Expenses	4.2	4.9	17.9%	4.5	10.1%	7.9	9.4	18.6%
EBT	**22.2**	23.5	**5.8%**	**21.2**	**10.9%**	**39.7**	44.7	**12.6%**
Tax results	-4.1	-2.4	43.1%	-4.3	44.7%	-7.9	-6.6	16.8%
Net Results	**18.1**	21.2	**16.9%**	**17.0**	**24.8%**	**31.8**	38.1	**20.0%**
Group Share	18.1	21.2	16.6%	17.0	24.6%	31.8	38.1	19.9%
Attributable to Non-Controlling Interests	0.0	0.0	-	0.0	-	0.0	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 + Provisions + others.

7.2. Sonaecom consolidated balance sheet

Million euros

CONSOLIDATED BALANCE SHEET	2Q11	2Q12	Δ 12/11	1Q12	q.o.q.	1H11	1H12	Δ 12/11
Total Net Assets	**1,853.4**	**1925.5**	**3.9%**	**1,898.9**	**1.4%**	**1,853.4**	**1925.5**	**3.9%**
Non Current Assets	1,493.3	1,584.0	6.1%	1,582.0	0.1%	1,493.3	1,584.0	6.1%
Tangible and Intangible Assets	863.3	957.9	11.0%	961.1	-0.3%	863.3	957.9	11.0%
Goodwill	526.1	529.6	0.7%	521.1	1.6%	526.1	529.6	0.7%
Investments	0.2	0.2	1.7%	0.2	0.0%	0.2	0.2	1.7%
Deferred Tax Assets	103.5	95.9	-7.3%	99.3	-3.4%	103.5	95.9	-7.3%
Others	0.3	0.3	10.6%	0.3	3.8%	0.3	0.3	10.6%
Current Assets	360.1	341.5	-5.2%	316.9	7.7%	360.1	341.5	-5.2%
Trade Debtors	109.5	121.1	10.6%	107.4	12.8%	109.5	121.1	10.6%
Liquidity	126.1	109.0	-13.6%	99.9	9.1%	126.1	109.0	-13.6%
Others	124.4	111.3	-10.5%	109.6	1.5%	124.4	111.3	-10.5%
Shareholders' Funds	**1,002.5**	**1,046.9**	**4.4%**	**1,052.8**	**-0.6%**	**1,002.5**	**1,046.9**	**4.4%**
Group Share	1,002.1	1046.5	4.4%	1,052.4	-0.6%	1,002.1	1046.5	4.4%
Non-Controlling Interests	0.5	0.4	-16.7%	0.4	4.2%	0.5	0.4	-16.7%
Total Liabilities	**850.9**	**878.6**	**3.3%**	**846.1**	**3.8%**	**850.9**	**878.6**	**3.3%**
Non Current Liabilities	460.9	249.6	-45.8%	399.3	-37.5%	460.9	249.6	-45.8%
Bank Loans	370.2	146.3	-60.5%	289.6	-49.5%	370.2	146.3	-60.5%
Provisions for Other Liabilities and Charges	34.2	47.1	37.7%	47.5	-0.8%	34.2	47.1	37.7%
Others	56.5	56.2	-0.5%	62.2	-9.7%	56.5	56.2	-0.5%
Current Liabilities	390.0	629.0	61.3%	446.8	40.8%	390.0	629.0	61.3%
Bank Loans	30.3	307.5	-	143.3	114.6%	30.3	307.5	-
Trade Creditors	143.7	142.2	-1.0%	134.4	5.8%	143.7	142.2	-1.0%
Others	216.0	179.3	-17.0%	169.1	6.0%	216.0	179.3	-17.0%
Operating CAPEX(1)	30.2	33.3	10.4%	25.6	30.3%	53.7	58.9	9.7%
Operating CAPEX as % of Turnover	14.4%	16.3%	1.9pp	12.6%	3.7pp	12.6%	14.5%	1.9pp
Total CAPEX	30.2	43.3	43.6%	25.6	69.5%	53.7	68.9	28.3%
EBITDA - Operating CAPEX	31.8	30.9	-2.8%	34.7	88.9%	63.7	65.6	3.1%
Operating Cash Flow(2)	55.9	31.7	-43.3%	-76.3	41.6%	30.6	-44.6	-
FCF(3)	47.1	14.2	-69.9%	-86.5	16.4%	11.9	-72.3	-
Gross Debt	421.2	476.8	13.2%	455.7	4.6%	421.2	476.8	13.2%
Net Debt	295.1	367.8	24.7%	355.8	3.4%	295.1	367.8	24.7%
Net Debt/ EBITDA last 12 months	1.3 x	1.5 x	0.3x	1.5 x	0.0x	1.3 x	1.5 x	0.3x
EBITDA/Interest Expenses(4) (last 12 months)	16.3 x	14.9 x	-1.5x	15.3 x	-0.4x	16.3 x	14.9 x	-1.5x
Debt/Total Funds (Debt + Shareholders' Funds)	29.6%	31.3%	1.7pp	30.2%	1.1pp	29.6%	31.3%	1.7pp
Excluding the Securitisation Transaction:								
Net Debt	344.6	394.6	14.5%	387.6	1.8%	344.6	394.6	14.5%
Net Debt/ EBITDA last 12 months	1.5 x	1.6 x	0.2x	1.6 x	0.0x	1.5 x	1.6 x	0.2x
EBITDA/Interest Expenses(4) (last 12 months)	16.3 x	14.9 x	-1.5x	15.3 x	-0.4x	16.3 x	14.9 x	-1.5x

(1) Operating CAPEX excludes Financial 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;

7.3. Sonaecom levered FCF

Million euros

LEVERED FREE CASH FLOW	2Q11	2Q12	Δ 12/11	1Q12	q.o.q.	1H11	1H12	Δ 12/11
EBITDA-Operating CAPEX	**31.8**	**30.9**	**-2.8%**	**34.7**	**-11.1%**	**63.7**	**65.6**	**3.1%**
Change in WC	22.8	2.9	-87.2%	-109.5	-	-35.8	-106.5	-197.2%
Non Cash Items & Other	1.3	-2.1	-	-1.6	-35.4%	2.7	-3.7	-
Operating Cash Flow	**55.9**	**31.7**	**-43.3%**	**-76.3**	**-**	**30.6**	**-44.6**	**-**
Securitisation Transaction	-5.0	-5.0	0.0%	-5.0	0.0%	-10.0	-10.0	0.0%
Investments	0.0	-6.0	-	0.0	-	0.0	-6.0	-
Own shares	0.0	-2.5	-	-0.7	-	-2.2	-3.2	-45.3%
Financial results	-2.8	-2.4	15.0%	-3.2	24.9%	-4.8	-5.6	-17.8%
Income taxes	-1.0	-1.6	-72.1%	-1.2	-32.2%	-1.7	-2.9	-72.0%
FCF	**47.1**	**14.2**	**-69.9%**	**-86.5**	**-**	**11.9**	**-72.3**	**-**

7.4. Sonaecom headcount

Sonaecom	2Q11	2Q12	Δ 12/11	1Q12	q.o.q.	1H11	1H12	Δ 12/11
Total Employees	**2,066**	**2,019**	**-2.3%**	**2,011**	**0.4%**	**2,066**	**2,019**	**-2.3%**
Shared Services and Corporate Centre	141	139	-1.4%	137	1.5%	141	139	-1.4%
Telecommunications	1,089	1,025	-5.9%	1,061	-3.4%	1,089	1,025	-5.9%
SSI	574	603	5.1%	561	7.5%	574	603	5.1%
Online & Media	262	252	-3.8%	252	0.0%	262	252	-3.8%

7.5. Optimus consolidated income statement

Million euros

OPTIMUS INCOME STATEMENT	2Q11	2Q12	Δ 12/11	1Q12	q.o.q.	1H11	1H12	Δ 12/11
Turnover	**186.2**	**178.9**	**-3.9%**	**176.7**	**1.2%**	**368.9**	**355.6**	**-3.6%**
Service Revenues	179.2	172.0	-4.0%	171.3	0.4%	357.8	343.3	-4.1%
Customer Revenues	144.4	133.7	-7.4%	135.4	-1.3%	287.4	269.2	-6.4%
Operator Revenues	34.8	38.3	10.1%	35.8	6.9%	70.4	74.1	5.2%
Equipment Sales	7.0	6.9	-1.4%	5.5	26.6%	11.1	12.4	11.3%
Other Revenues	**2.9**	**3.3**	**14.9%**	**2.6**	**25.5%**	**6.1**	**5.9**	**-2.0%**
Operating Costs	**127.9**	**118.7**	**-7.1%**	**120.9**	**-1.8%**	**258.9**	**239.7**	**-7.4%**
Personnel Costs	13.1	11.0	-16.2%	13.0	-15.3%	27.1	24.0	-11.7%
Direct Servicing Costs(1)	60.0	58.6	-2.5%	58.5	0.2%	124.3	117.0	-5.8%
Commercial Costs(2)	21.7	17.7	-18.3%	17.2	3.2%	41.5	34.9	-16.0%
Other Operating Costs(3)	33.0	31.5	-4.8%	32.3	-2.6%	66.0	63.8	-3.3%
EBITDA	**61.2**	**63.5**	**3.8%**	**58.4**	**8.7%**	**116.1**	**121.9**	**5.0%**
EBITDA Margin (%)	32.9%	35.5%	2.6pp	33.1%	2.4pp	31.5%	34.3%	2.8pp
Operating CAPEX(4)	29.3	33.3	13.6%	25.5	30.8%	52.1	58.8	**12.8%**
Operating CAPEX as % of Turnover	15.8%	18.6%	2.9pp	14.4%	4.2pp	14.1%	16.5%	2.4pp
EBITDA - Operating CAPEX	31.8	30.1	-5.3%	32.9	-8.4%	63.9	63.1	**-1.4%**
Total CAPEX	29.4	34.4	17.1%	25.5	34.9%	52.2	59.9	**14.8%**

(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 + Provisions + others; (4) Operating CAPEX excludes Financial Investments.

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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
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Sonaecom SGPS is listed on the Euronext Stock Exchange.
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