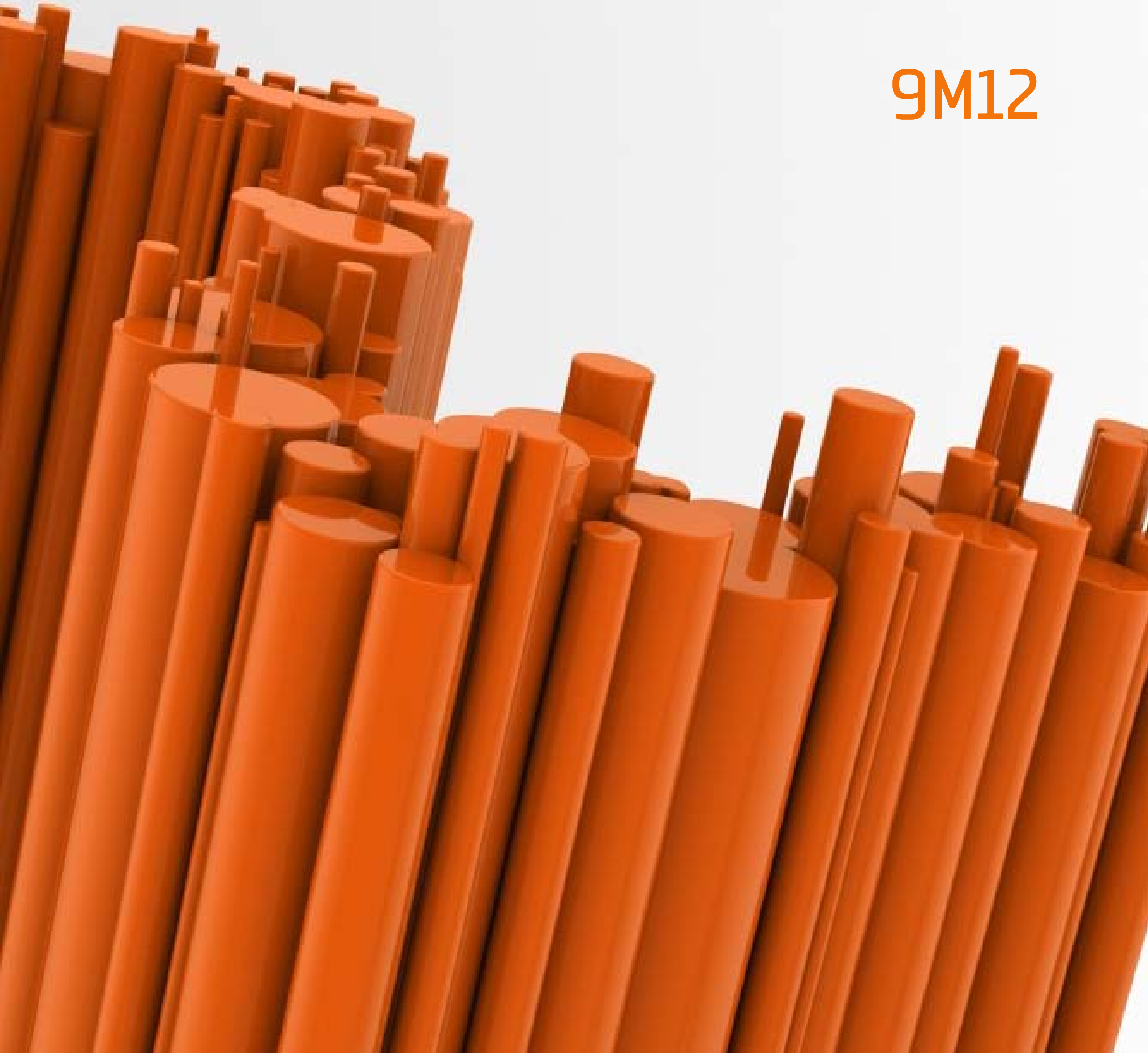
Results Announcement

9M12



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 617.0 million euros
- EBITDA of 191.1 million euros
- EBITDA-operating capex of 90.3 million euros
- Net results total 63.9 million euros
- FCF reaches 50.6 million euros (excluding extraordinary impacts)
- Net debt to EBITDA ratio of 1.4x

"Over the course of the current quarter, we have witnessed the intensification of austerity measures in Portugal, with increasing impact on consumer behaviour resulting in the reduction or rationalisation of their telecom-based expenses.

Sonaecom has reacted to these impacts by focusing our efforts on achieving productivity gains based on our creativity and ability to innovate. This has allowed us to maintain our levels of customer service and profitability, which we believe are sustainable, and position ourselves as one of the best mobile operators in Europe."

Ângelo Paupério, CEO, Sonaecom

Our business

At Optimus, we emphasise the progress on the 4G front. Pursuing this year's goal in terms of coverage, we remain focused on deploying the 4G network wide coverage. Launched in March 2012, our 4G commercial offer not only includes smartphones, but it also includes specially designed 4G dongles and hotspot terminals.

Driven by Optimus's efficiency measures, operating profitability sustained its upward trend. We highlight the 45.1% mobile EBITDA margin the business achieved in 3Q12, 5.9pp above the level it registered in the 3Q11.

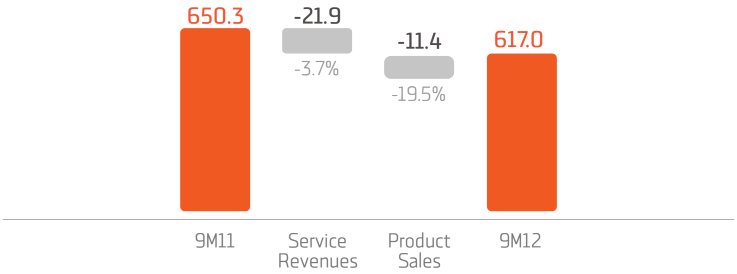
At Software and Information Systems (SSI), WeDo Technologies continued to strengthen its global leadership in the revenue assurance telecoms market, complementing its portfolio with fraud management solutions and business assurance in telecoms and other sectors. Although with a small expression in absolute terms, WeDo's revenues outside the telecoms sector increased almost 80% in 9M12.

Portugal's state budget for 2013 heralds an even more challenging macroeconomic environment, with negative consequences in consumer behaviour, expected already for the remainder of 2012. Nevertheless, we remain confident that we will achieve our targets for the current year.

1. Consolidated results

Turnover

Consolidated turnover in 9M12 totalled 617.0 million euros, 5.1% below 9M11. This evolution was driven by a decrease of 3.7% in service revenues and a decrease of 19.5% in product sales.

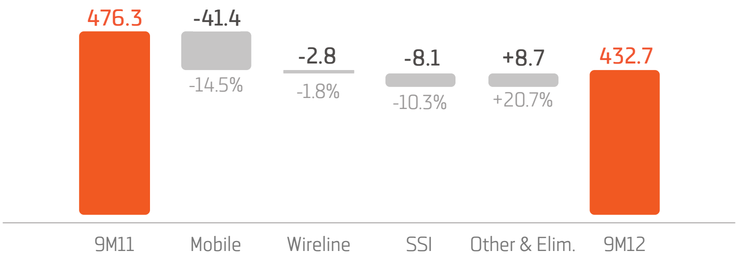


Optimus's evolution has been affected by regulated tariffs (mobile termination rates, MTRs, and roaming in) and Portugal's austerity economic environment, which continues to have a negative impact on consumption levels.

The sustained rise in service revenues at SSI during 9M12 was not sufficient to offset the fall in product sales at Bizdirect. This fall resulted from the combined impact of the macroeconomic environment and the termination of the government's e-initiatives programme.

Operating costs

Operating costs stood at 432.7 million euros, down 9.2% compared to 9M11.



The two drivers behind this downward trend are Optimus' optimisation plan, launched in 2009, and the lower cost of goods sold at SSI, consequence of the product sales' evolution. As a result of the ongoing efficiency measures, the company has been able to reduce its cost structure. Our plan is to continue implementing these measures at Optimus, while focusing on other key areas such as brand awareness, quality of service and customer experience.

Between 9M11 and 9M12, operating costs as a percentage of turnover decreased 3.1pp, meaning that the consolidated top line trend was more than offset thanks to lower operating costs.

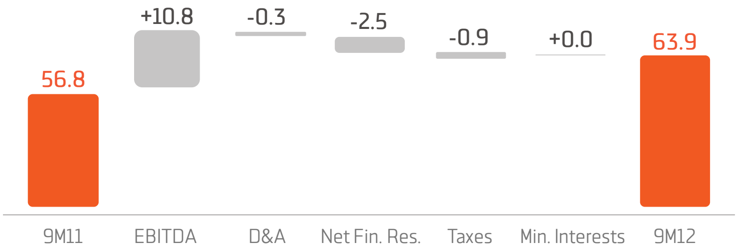
EBITDA

Consolidated EBITDA increased 6.0% to 191.1 million euros. Once again, all business divisions showed a positive EBITDA performance between the two periods, with Optimus's mobile business registering the highest growth in absolute terms.

The consolidated EBITDA margin increased 3.3pp from 27.7% to 31.0%.

Net profit

The net results group share reached 63.9 million euros, growing 12.5% compared to 9M11, driven by the improved EBITDA performance.

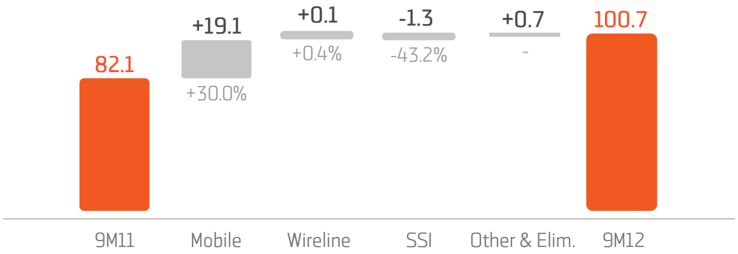


The evolution of net financial results was primarily impacted by a higher level of financial expenses, the result of a higher average net debt level and a higher cost of debt.

The tax line in 9M12 showed a cost of 7.1 million euros against 6.2 million euros in the same period of 2011. This came on the back of a higher EBT as we maintained the level of deferred tax assets recognition.

Operating capex

Operating capex grew 22.8% between 9M11 and 9M12. This was impacted mostly by the 4G network deployment at our mobile business, where we made significant progress towards achieving our 2012 target in terms of coverage.

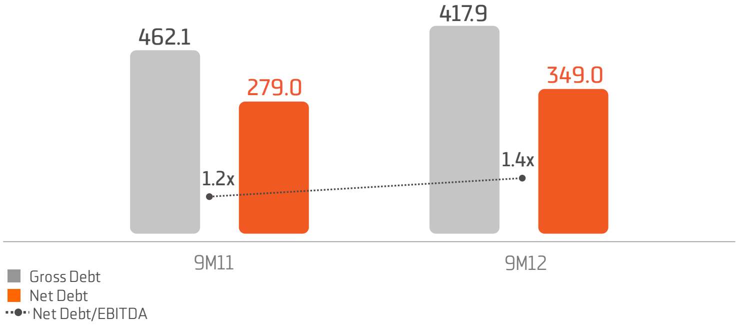


During 3Q12, Optimus continued to adopt solutions that enabled us to optimise mobile backhaul costs while reducing our dependency on rented infrastructure. Accordingly, 80% of our sites are already connected through own infrastructure, namely fibre, in the most dense areas, and microwaves, in the rural areas.

Operating capex as a percentage of turnover increased 3.7pp, to 16.3%.

Capital structure

Consolidated net debt reached 349.0 million in 9M12, increasing 25.1% compared with 9M11. This rise is mostly due to the 83.0 million euros outflow in January relating to the spectrum we acquired in late 2011.



Despite the positive EBITDA performance, the net debt to EBITDA ratio increased from 1.2x to 1.4x because of a higher net debt level.

In 9M12, total credit facilities amounted to 450.0 million euros while the all-in average cost of debt reached 3.25%.

Free cash flow (FCF)

FCF stood at negative 53.4 million euros in 9M12, impacted by (i) the outflow of 15.0 million euros relating to the securitisation operation; (ii) the 83.0 million euros spectrum payment; and (iii) a payment of 6.0.million euros relating to the acquisition of Connectiv Solutions at the end of April 2012.

Excluding these impacts, 9M12 FCF amounted to 50.6 million euros, an increase of 16.0% compared to the 43.6 million euros achieved in 9M11 (excluding the securitisation payment outflow).

2. Optimus

- **Optimus EBITDA reaches 187.8 million euros, up 5.0% y.o.y**
- **Optimus mobile EBITDA margin reaches 45.1% in 3Q12**
- **Data revenues represent 31.8% of mobile service revenues in 9M12**

LTE: a game changer

After guaranteeing the ideal combination of three spectrum LTE bands, Optimus is now well advanced on LTE network deployment in the 800Mhz and 1800Mhz bands. It aims to reach 80% coverage by the end of 2012.
With this additional strength, Optimus will explore new commercial offers and cost optimisation opportunities, both in the residential and the business segments.

Optimus's operating model: a competitive advantage

We have been transforming Optimus's operating model to create a far more efficient organisation. Resulting from a transversal plan being implemented across the entire organisation, positive results are now visible company-wide.

During 9M12, Optimus's operating costs decreased 9.3%, a saving of over 35 million euros. At the same time, in line with our goal of leading in terms of satisfaction and market confidence, the business's principal KPIs covering service quality continued to evolve positively.

In September 2012, research undertaken by 'Consumer Choice – Centro de Avaliação da Satisfação do Consumidor' established that Optimus was considered the preferred mobile operator among Portuguese consumers. In particular, the brand is recognised in areas such as the quality and diversity of its services, client support, offers and promotions.

2.1. Optimus mobile business

During 9M12, Optimus's mobile customer revenues were significantly impacted by Portugal's harsh macroeconomic conditions, with the effects of the austerity measures noticeable across the principal macroeconomic indicators, including private and public consumption as well as the unemployment rate. Even so, Optimus's mobile business was able to achieve an EBITDA margin of 44.2% in 9M12, a benchmark when it comes to mobile operators in Europe.

2.1.1. Operational data

MOBILE OPERATIONAL KPI's	3Q11	3Q12	Δ 12/11	2Q12	q.o.q.	9M11	9M12	Δ 12/11
Customers (EOP) ('000)	3,638.6	3,566.3	-2.0%	3,565.0	0.0%	3,638.6	3,566.3	-2.0%
Pre-paid Customers ('000)	2,423.3	2,367.3	-2.3%	2,364.3	0.1%	2,423.3	2,367.3	-2.3%
Post-paid Customers ('000)	1,215.3	1,199.0	-1.3%	1,200.6	-0.1%	1,215.3	1,199.0	-1.3%
Net Additions ('000)	52.2	1.3	-97.5%	-44.9	-	34.5	-73.1	-
Data as % Service Revenues	33.0%	31.4%	-1.7pp	32.8%	-1.4pp	32.4%	31.8%	-0.6pp
Non SMS Data as % Data Revenues	75.0%	76.3%	1.3pp	76.6%	-0.3pp	76.3%	76.4%	0.2pp
Total #SMS/month/user	42.2	41.9	-0.8%	41.9	0.0%	42.4	41.5	-2.2%
MOU[1] (min.)	125.9	122.6	-2.7%	123.4	-0.7%	126.2	122.7	-2.7%
ARPU[2] (euros)	13.5	12.4	-7.7%	12.0	3.4%	13.0	12.2	-6.7%
Customer Monthly Bill	11.6	10.9	-6.0%	10.6	3.1%	11.3	10.7	-5.2%
Interconnection	1.9	1.5	-18.2%	1.4	5.5%	1.7	1.5	-16.1%
ARPM[3] (euros)	0.11	0.10	-5.2%	0.10	4.1%	0.10	0.10	-4.1%

(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 2.0% y.o.y., despite a slight growth in net additions during 3Q12. This reduction was driven by the expected erosion of the e-initiatives programme's customer base and the impact of Portugal's austerity measures, mainly in the personal segment.

Average revenue per user (ARPU) among mobile customers in 9M12 stood at 12.2 euros. In quarterly terms, the 3Q12 ARPU increased slightly compared to 2Q12, having decreased 1.1 euros compared to 3Q11. The fall registered in 9M12 came on the back of lower interconnection revenues, which decreased from 1.7 euros to 1.5 euros; and lower customer monthly bill, which decreased from 11.3 euros to 10.7 euros.
In 9M12, minutes of use (MOU) decreased 2.7% y.o.y. to an average of 123 minutes per month.

Data services and mobile broadband

Data revenues represented 31.8% of service revenues in 9M12, 0.6pp down compared to 9M11. Although smartphone penetration is still low in Portugal, smartphone adoption has partially offset the impact of the end of the e-initiatives programme on Optimus's data revenues.
The weight of non-SMS related data increased 0.2pp, reaching 76.4% in 9M12.

2.1.2. Financial data

Million euros

MOBILE INCOME STATEMENT	3Q11	3Q12	Δ 12/11	2Q12	q.o.q.	9M11	9M12	Δ 12/11
Turnover	**149.8**	**137.1**	**-8.5%**	**131.0**	**4.6%**	**430.2**	**399.6**	**-7.1%**
Service Revenues	141.7	129.6	-8.5%	125.7	3.1%	411.1	382.2	-7.0%
Customer Revenues	122.0	113.7	-6.9%	110.6	2.8%	355.9	336.1	-5.6%
Operator Revenues	19.6	15.9	-18.9%	15.1	5.2%	55.2	46.1	-16.4%
Equipment Sales	8.2	7.5	-8.2%	5.3	40.7%	19.1	17.3	-9.1%
Other Revenues	**7.2**	**6.8**	**-5.7%**	**7.8**	**-13.3%**	**24.2**	**21.4**	**-11.6%**
Operating Costs	**98.2**	**82.0**	**-16.5%**	**79.3**	**3.4%**	**285.6**	**244.2**	**-14.5%**
Personnel Costs	12.8	10.9	-15.3%	10.1	7.7%	38.6	32.9	-14.7%
Direct Servicing Costs(1)	32.3	26.8	-17.0%	28.6	-6.3%	102.3	85.0	-16.9%
Commercial Costs(2)	25.1	20.9	-16.7%	13.7	52.1%	61.6	48.2	-21.8%
Other Operating Costs(3)	28.0	23.4	-16.3%	26.8	-12.8%	83.0	78.1	-6.0%
EBITDA	**58.8**	**61.9**	**5.2%**	**59.5**	**3.9%**	**168.7**	**176.7**	**4.8%**
EBITDA Margin (%)	39.2%	45.1%	5.9pp	45.4%	-0.3pp	39.2%	44.2%	5.0pp
Operating CAPEX(4)	23.7	35.1	47.9%	28.1	24.9%	63.8	82.9	30.0%
Operating CAPEX as % of Turnover	15.8%	25.6%	9.7pp	21.4%	4.1pp	14.8%	20.8%	5.9pp
EBITDA - Operating CAPEX	35.1	26.8	-23.6%	31.5	-14.8%	104.9	93.8	-10.6%
Total CAPEX	23.8	35.2	48.2%	29.1	20.9%	63.9	84.1	31.7%

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

Turnover

Mobile turnover decreased 7.1% in 9M12 to 399.6 million euros, driven by a fall in 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 5.6% between 9M11 and 9M12 to 336.1 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 segment, and the consequent impact on ARPU.
Operator revenues decreased 16.4% between 9M11 and 9M12 to 46.1 million euros because of lower regulated tariffs, MTRs and roaming in.

Operating costs

As a result of Optimus' planned efforts to implement a leaner organisation, mobile operating costs have been decreasing. During 9M12, this line decreased 14.5% y.o.y. to 244.2 million euros, benefiting from (i) a decrease of 14.7% in personnel costs; (ii) 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 interconnection costs, driven by lower mobile termination rates; (iii) a 21.8% decrease in commercial costs, due a combination of lower advertising costs and lower costs of goods sold (as a result of lower equipment sales); and (iv) a 6.0% decrease in other operating costs, driven mostly by lower general and administrative costs.

EBITDA

Mobile EBITDA increased 4.8% y.o.y. to 176.7 million euros, wholly driven by a 14.5% decrease in operating costs.
The EBITDA margin reached 44.2% in 9M12 against 39.2% in 9M11, an increase of 5.0pp.
EBITDA-operating capex decreased 10.6% y.o.y., due entirely to an increase of 30.0% in operating capex, impacted by the 4G network deployment, our main investment focus.

2.2. Optimus wireline business

In the enterprise segment, our integrated and convergent positioning among corporates and SMEs is delivering results. At the end of the 3Q12, the percentage of convergent clients in our customer base exceeded 40%, an increase compared to 9M11, while we continued to drive the growth of mobile and wireline services in these segments.
In the residential segment, our performance continues to be impacted by the decision to abandon residential customer acquisition over the incumbent's infrastructure, implemented in 2011.

2.2.1. Operational data

WIRELINE OPERATIONAL KPI's	3Q11	3Q12	Δ 12/11	2Q12	q.o.q.	9M11	9M12	Δ 12/11
Total Accesses	**383,568**	344,619	**-10.2%**	**354,449**	**-2.8%**	**383,568**	344,619	**-10.2%**
Corporate and SMEs	**157,637**	**156,897**	**-0.5%**	**155,143**	**1.1%**	**157,637**	**156,897**	**-0.5%**
PTSN/RDIS	112,769	113,181	0.4%	111,039	1.9%	112,769	113,181	0.4%
Broadband	35,575	31,660	-11.0%	32,472	-2.5%	35,575	31,660	-11.0%
Other & Data	9,293	12,056	29.7%	11,632	3.6%	9,293	12,056	29.7%
Residential	**225,931**	**187,722**	**-16.9%**	**199,306**	**-5.8%**	**225,931**	**187,722**	**-16.9%**
PTSN/RDIS	106,400	79,467	-25.3%	88,147	-9.8%	106,400	79,467	-25.3%
Broadband	85,399	71,243	-16.6%	74,229	-4.0%	85,399	71,243	-16.6%
TV	34,132	37,012	8.4%	36,930	0.2%	34,132	37,012	8.4%
Average Revenue per Access - Retail	22.5	21.6	-3.9%	23.4	-7.4%	23.5	22.7	-3.5%

Customer base

The impact of the prevailing macroeconomic conditions during 2012 created some pressure in the corporate and SMEs segment, resulting in a 0.5% y.o.y. decrease in the number of accesses between 9M11 and 9M12. It also caused a drop of 3.5% in the retail ARPU.
However, it should be noted that, in quarterly terms, the number of accesses increased 1.1% between 2Q12 and 3Q12 to 157 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 10.2% y.o.y. to 345 thousand accesses, mostly driven by a decrease of 16.9% in the residential segment.

2.2.2. Financial data

Million euros WIRELINE INCOME STATEMENT	3Q11	3Q12	Δ 12/11	2Q12	q.o.q.	9M11	9M12	Δ 12/11
Turnover	**56.6**	**52.9**	**-6.5%**	**55.4**	**-4.4%**	**163.5**	**161.7**	**-1.1%**
Service Revenues	55.4	51.6	-6.8%	53.8	-4.1%	162.1	157.8	-2.7%
Customer Revenues	24.7	21.2	-14.2%	23.6	-10.0%	79.1	68.7	-13.0%
Operator Revenues	30.7	30.4	-1.0%	30.2	0.6%	83.0	89.0	7.2%
Equipment Sales	1.2	1.3	9.2%	1.6	-17.6%	1.4	3.9	174.9%
Other Revenues	**0.3**	**0.2**	**-10.7%**	**0.4**	**-31.3%**	**0.7**	**0.8**	**15.3%**
Operating Costs	**52.9**	**49.1**	**-7.3%**	**51.8**	**-5.3%**	**154.1**	**151.4**	**-1.8%**
Personnel Costs	0.6	0.9	42.7%	0.9	-0.5%	2.0	2.8	39.7%
Direct Servicing Costs(1)	40.1	37.3	-6.9%	37.6	-0.8%	113.1	112.2	-0.8%
Commercial Costs(2)	2.0	2.2	7.1%	4.0	-46.0%	7.0	9.7	39.6%
Other Operating Costs(3)	10.2	8.7	-14.9%	9.3	-6.3%	32.0	26.6	-16.9%
EBITDA	**3.9**	**4.1**	**4.2%**	**3.9**	**4.2%**	**10.0**	**11.1**	**10.2%**
EBITDA Margin (%)	6.9%	7.7%	0.8pp	7.1%	0.6pp	6.1%	6.8%	0.7pp
Operating CAPEX(4)	3.6	6.0	65.6%	5.3	12.5%	15.5	15.5	0.4%
Operating CAPEX as % of Turnover	6.4%	11.3%	4.9pp	9.6%	1.7pp	9.5%	9.6%	0.1pp
EBITDA - Operating CAPEX	0.3	-1.9	-	-1.4	-36.2%	-5.4	-4.5	17.7%
Total CAPEX	3.6	6.0	65.6%	5.3	12.5%	15.5	15.5	0.4%

(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 decreased 1.1% y.o.y. to 161.7 million euros despite the upward trend in operator revenues and equipment sales. The increase in operator revenues was a remarkable achievement entirely driven by an increase in traffic levels despite the decrease in wholesale traffic prices.

Operating costs

Wireline operating costs decreased 1.8% y.o.y., to 151.4 million euros. Direct servicing costs decreased 0.8%, mostly due a lower level of leased lines. Other operating costs decreased 16.9%, primarily due to lower outsourcing costs. Commercial costs increased 39.6% due to higher marketing costs and higher cost of goods sold.

EBITDA

Wireline EBITDA increased 10.2% y.o.y., reaching 11.1 million euros. The EBITDA margin increased from 6.1% to 6.8%, growing 0.7pp y.o.y..

EBITDA-operating capex improved 17.7% between the two periods, reaching a negative 4.5 million euros. This was supported mostly by a higher EBITDA, as the operating capex remained stable between the two periods. It should be noted that the operating capex trend during the period was mainly driven by FTTH.

3. Software and Information Systems

WeDo Technologies, SSI's largest company, continued to expand its international footprint while focusing on the acquisition of new projects in the business assurance market. In July 2012, the company strengthened its presence in the retail sector with the announcement of two new major clients in Europe and the United States. This marks a key milestone since the launch in 2011 of its complete profit protection software platform: RAID RETAIL.

During 9M12, the company's revenues outside the telecommunications sector increased almost 80%.

Presently, WeDo Technologies has more than 150 clients in 80 countries. During 9M12, its international revenues represented 73.3% of its turnover, growing 4.8% compared to 9M11.

Specialising in IT management, security and business continuity, Mainroad successfully increased its service revenues by 2.0%, improving its EBITDA 55.9% between 9M11 and 9M12 despite the challenging market conditions.

Bizdirect's turnover in 9M12 declined 35.7% due to the macroeconomic conditions and the end of the government's e-initiatives programme. Given these factors, the company has intensified its focus on areas such as licensing and solutions. Supported by partnerships with the main manufacturers, Bizdirect's position in the global market is improving, with international revenues increasing 11.6% y.o.y..

Saphety strengthened its position as a leading player in providing solutions for simplifying and automating processes to the domestic market. Currently, its international strategy is a major focus for the company, which ended 9M12 with international revenues representing 12.1% of its total turnover.

3.1. Operational data

SSI OPERATIONAL KPI's	3Q11	3Q12	Δ 12/11	2Q12	q.o.q.	9M11	9M12	Δ 12/11
IT Service Revenues/Employee(1) ('000 euros)	32.7	35.6	9.0%	34.7	2.7%	97.8	103.3	5.6%
Equipment Sales as % Turnover	35.1%	23.4%	-11.7pp	18.6%	4.8pp	35.8%	22.8%	-13.0pp
Equipment Sales/Employee(2) ('000 euros)	384.0	311.4	-18.9%	219.3	42.0%	1,191.3	834.6	-29.9%
EBITDA/Employee ('000 euros)	2.9	4.3	46.3%	3.6	20.1%	8.8	8.1	-8.0%
Employees	569	622	9.3%	603	3.2%	569	622	9.3%

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

IT service revenues per employee reached 103.3 thousand euros in 9M12, 5.6% above 9M11, with the growth in service revenues more than compensating for the 9.3% increase in headcount.
Driven by Bizdirect's equipment sales, equipment sales as percentage of turnover decreased y.o.y. from 35.8% to 22.8%.

3.2. Financial data

Million euros

SSI CONSOLIDATED INCOME STATEMENT	3Q11	3Q12	Δ 12/11	2Q12	q.o.q.	9M11	9M12	Δ 12/11
Turnover	**27.4**	**28.0**	**2.1%**	**24.8**	**12.8%**	**83.3**	**77.0**	**-7.6%**
Service Revenues	17.8	21.4	20.4%	20.2	6.1%	53.5	59.4	11.1%
Equipment Sales	9.6	6.5	-31.9%	4.6	42.0%	29.8	17.5	-41.1%
Other Revenues	**0.2**	**0.1**	**-31.9%**	**0.2**	**-37.0%**	**0.5**	**0.8**	**83.9%**
Operating Costs	**25.9**	**25.4**	**-1.9%**	**22.8**	**11.5%**	**78.7**	**70.6**	**-10.3%**
Personnel Costs	7.7	8.6	11.8%	8.1	5.2%	22.6	23.8	5.3%
Commercial Costs(1)	9.5	7.0	-26.3%	5.1	37.7%	29.7	18.6	-37.5%
Other Operating Costs(2)	8.8	9.9	12.6%	9.6	2.6%	26.3	28.2	6.9%
EBITDA	**1.7**	**2.7**	**59.9%**	**2.2**	**23.8%**	**5.0**	**7.2**	**43.7%**
EBITDA Margin (%)	6.1%	9.5%	3.4pp	8.7%	0.9pp	6.0%	9.4%	3.3pp
Operating CAPEX(3)	1.1	0.7	-39.7%	0.2	188.7%	3.0	1.7	-43.2%
Operating CAPEX as % of Turnover	4.2%	2.5%	-1.7pp	1.0%	1.5pp	3.6%	2.2%	-1.4pp
EBITDA - Operating CAPEX	0.5	2.0	-	1.9	3.4%	2.0	5.5	169.9%
Total CAPEX	1.1	0.7	-39.7%	10.3	-93.3%	3.0	11.7	-

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

Turnover

Once again, SSI turnover grew on a quarterly basis, with the rise in service revenues more than offsetting the decline in equipment sales. In 9M12, SSI turnover decreased y.o.y. by 7.6% to 77.0 million euros, impacted by the 41.1% drop in equipment sales at Bizdirect. This fall at Bizdirect is due to the termination of the e-initiatives programme, as well as the negative impact of the macroeconomic environment on businesses in this sector.

Service revenues continued to rise, growing 11.1% y.o.y. as the benefits of the Connectiv Solutions acquisition began to feed through. 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 5.7% y.o.y..

Operating costs

SSI's operating costs decreased y.o.y. by 10.3% to 70.6 million euros. The 37.5% decrease in the level of commercial costs is primarily a direct result of the lower cost of goods sold at Bizdirect. Personnel costs increased 5.3%, mainly as a result of WeDo Technologies' growth and the integration of Connectiv Solutions' headcount. The increase in other operating costs relates mainly to higher outsourcing costs designed to support the increased number of projects in progress, as reflected in service revenues.

EBITDA

During 9M12, EBITDA reached 7.2 million euros, increasing 43.7% compared to 9M11. This was due to higher service revenues and lower operating costs. As a result of (i) lower equipment sales; (ii) higher service revenues; and (iii) the decrease in operating costs, the EBITDA margin increased y.o.y. from 6.0% to 9.4%, up 3.4pp.

Excluding the effect of Connectiv Solutions' consolidation, the EBITDA would have increased 24.5% against 9M11.

4. Online & Media

From quarter to quarter, Público's presence in the online space continues to expand. As a result, online revenues are rising, but they are still far from offsetting falling revenues from advertising and offline circulation. In fact, during 9M12, the Online & Media advertising revenues decreased compared with the same period in 2011, impacting negatively the EBITDA performance, which stood at a negative 3.15 million euros, down 31.3% on 9M11.

Globally, the printed press has been undergoing a profound structural change for several years. This has resulted in a strong downward trend in revenues, consequence of the substitution effect of the offline by the online. Furthermore, the entire sector in Portugal is suffering the severe impacts of the current economic crisis, both in circulation revenues and in advertising revenues.

Aiming to ensure the sustainability of the business without compromising Público's role as an independent source of information in Portugal, Sonaecom announced the implementation of a restructuring plan at the beginning of October 2012.

This plan involves a stronger focus on the growing demand of the digital world and in reducing the cost structure by about 3.5 million euros per year. This will be driven by a decrease in operating costs and the predictable leave of 48 employees. Sonaecom expects this plan to strengthen Público's strategic focus on digital, while continuing to preserve the brand's values, as it has consistently done over the past 22 years.

5. Main regulatory developments in 3Q12

Public Consultation

3 September 2012

ICP-ANACOM launched a public consultation on mobile network operators' obligations towards mobile broadband coverage of parishes presently without or with low mobile broadband coverage. This followed the regulation of the auction for the assignment of rights to use frequencies in the 450 MHz, 800 MHz, 900 MHz, 1800 MHz, 2.1 GHz and 2.6 GHz bands.

The document lists a total of 480 villages to be distributed equally between the three providers: TMN, Vodafone and Optimus.

The process for choosing the villages will be carried out according to the criteria defined in the regulation, meaning that Optimus will be assigned the 160 villages not chosen by Vodafone and TMN.

Universal Service (US) Funding

23 August 2012

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

According to this law, telecom providers must contribute to the fund if the eligible turnover represents at least 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 equipment sales.

The law 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 3Q12

Acquisition of own shares

1-6 August 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 1 and 6 August 2012 a total of 127,401 shares, representing approximately 0.03% of its share capital, through the Euronext Lisbon Stock Exchange. As of 30 September 2012, Sonaecom held 7,025,192 own shares, representing 1.92% of its share capital.

7. Appendix

Note: 2011 results were restated to reflect the change, from 1 January 2012, of the accounting treatment related with loyalty contracts acquisition costs, which started to be capitalized and amortized during the respective contract period.

7.1. Sonaecom consolidated income statement

Million euros

CONSOLIDATED INCOME STATEMENT	3Q11	3Q12	Δ 12/11	2Q12	q.o.q.	9M11	9M12	Δ 12/11
Turnover	**224.9**	**210.1**	**-6.6%**	**204.5**	2.7%	**650.3**	**617.0**	**-5.1%**
Mobile	149.8	137.1	-8.5%	131.0	4.6%	430.2	399.6	-7.1%
Wireline	56.6	52.9	-6.5%	55.4	-4.4%	163.5	161.7	-1.1%
SSI	27.4	28.0	2.1%	24.8	12.8%	83.3	77.0	-7.6%
Other & Eliminations	-8.9	-7.9	11.5%	-6.7	-17.7%	-26.6	-21.2	20.4%
Other Revenues	2.0	**1.8**	-9.3%	2.7	-33.4%	6.3	**6.8**	**7.6%**
Operating Costs	**163.9**	**145.3**	**-11.4%**	**142.9**	**1.7%**	**476.3**	**432.7**	**-9.2%**
Personnel Costs	23.8	22.6	-5.0%	22.2	1.9%	71.1	66.8	-6.0%
Direct Servicing Costs(1)	63.2	56.9	-10.0%	58.7	-3.2%	187.7	174.3	-7.1%
Commercial Costs(2)	38.1	31.3	-18.0%	24.0	30.5%	101.2	80.8	-20.2%
Other Operating Costs(3)	38.9	34.6	-11.1%	38.1	-9.2%	116.3	110.8	-4.7%
EBITDA	**62.9**	**66.5**	**5.8%**	**64.2**	**3.7%**	**180.3**	**191.1**	**6.0%**
EBITDA Margin (%)	28.0%	**31.7%**	3.7pp	31.4%	0.3pp	27.7%	**31.0%**	3.2pp
Mobile	58.8	61.9	5.2%	59.5	3.9%	168.7	176.7	4.8%
Wireline	3.9	4.1	4.2%	3.9	4.2%	10.0	11.1	10.2%
SSI	1.7	2.7	59.9%	2.2	23.8%	5.0	7.2	43.7%
Other & Eliminations	-1.5	-2.1	-40.7%	-1.4	-46.8%	-3.5	-4.0	-13.5%
Depreciation & Amortization	37.6	36.8	-2.1%	37.2	-1.1%	110.4	110.8	0.3%
EBIT	**25.4**	29.8	**17.3%**	**27.0**	**10.2%**	**69.8**	80.3	**15.0%**
Net Financial Results	**-2.1**	-3.5	**-68.4%**	**-3.5**	**-0.5%**	**-6.8**	-9.3	**-35.9%**
Financial Income	2.3	1.4	-38.0%	1.4	0.7%	5.5	5.0	-8.2%
Financial Expenses	4.4	4.9	12.0%	4.9	0.6%	12.3	14.3	16.2%
EBT	**23.3**	26.3	**12.8%**	**23.5**	**11.6%**	**63.0**	71.0	**12.7%**
Tax results	1.7	-0.5	-	-2.4	79.1%	-6.2	-7.1	-14.1%
Net Results	**25.0**	25.8	**3.1%**	**21.2**	**21.7%**	**56.8**	63.9	**12.5%**
Group Share	25.0	25.8	3.1%	21.2	21.8%	56.8	63.9	12.5%
Attributable to Non-Controlling Interests	0.0	0.0	-77.1%	0.0	-71.1%	0.0	0.0	-18.7%

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

7.2. Sonaecom consolidated balance sheet

Million euros								
CONSOLIDATED BALANCE SHEET	3Q11	3Q12	Δ 12/11	2Q12	q.o.q.	9M11	9M12	Δ 12/11
Total Net Assets	**1,927.4**	**1902.6**	**-1.3%**	**1,925.5**	**-1.2%**	**1,927.4**	**1902.6**	**-1.3%**
Non Current Assets	1,486.0	1,589.9	7.0%	1,584.0	0.4%	1,486.0	1,589.9	7.0%
Tangible and Intangible Assets	853.9	962.9	12.8%	957.9	0.5%	853.9	962.9	12.8%
Goodwill	526.1	529.9	0.7%	529.6	0.0%	526.1	529.9	0.7%
Investments	0.2	0.2	0.0%	0.2	0.0%	0.2	0.2	0.0%
Deferred Tax Assets	105.4	96.3	-8.6%	95.9	0.4%	105.4	96.3	-8.6%
Others	0.3	0.7	149.2%	0.3	125.3%	0.3	0.7	149.2%
Current Assets	441.4	312.7	-29.2%	341.5	-8.4%	441.4	312.7	-29.2%
Trade Debtors	133.2	121.1	-9.1%	121.1	0.0%	133.2	121.1	-9.1%
Liquidity	183.0	69.0	-62.3%	109.0	-36.7%	183.0	69.0	-62.3%
Others	125.2	122.6	-2.1%	111.3	10.1%	125.2	122.6	-2.1%
Shareholders' Funds	**1,028.1**	**1,070.0**	**4.1%**	**1,046.9**	**2.2%**	**1,028.1**	**1,070.0**	**4.1%**
Group Share	1,027.6	1069.6	4.1%	1,046.5	2.2%	1,027.6	1069.6	4.1%
Non-Controlling Interests	0.5	0.4	-19.2%	0.4	2.2%	0.5	0.4	-19.2%
Total Liabilities	**899.3**	**832.6**	**-7.4%**	**878.6**	**-5.2%**	**899.3**	**832.6**	**-7.4%**
Non Current Liabilities	405.1	290.0	-28.4%	249.6	16.2%	405.1	290.0	-28.4%
Bank Loans	319.1	195.2	-38.8%	146.3	33.4%	319.1	195.2	-38.8%
Provisions for Other Liabilities and Charges	34.5	44.9	30.0%	47.1	-4.6%	34.5	44.9	30.0%
Others	51.5	50.0	-3.0%	56.2	-11.1%	51.5	50.0	-3.0%
Current Liabilities	494.2	542.6	9.8%	629.0	-13.7%	494.2	542.6	9.8%
Bank Loans	121.9	200.6	64.5%	307.5	-34.8%	121.9	200.6	64.5%
Trade Creditors	155.8	156.7	0.6%	142.2	10.2%	155.8	156.7	0.6%
Others	216.5	185.3	-14.4%	179.3	3.4%	216.5	185.3	-14.4%
Operating CAPEX(1)	28.4	41.9	47.5%	33.3	25.7%	82.1	100.7	22.8%
Operating CAPEX as % of Turnover	12.6%	19.9%	7.3pp	16.3%	3.6pp	12.6%	16.3%	3.7pp
Total CAPEX	28.4	41.9	47.2%	43.3	-3.4%	82.1	110.8	34.8%
EBITDA - Operating CAPEX	34.5	24.7	-28.6%	30.9	-20.1%	98.2	90.3	-8.1%
Operating Cash Flow(2)	23.5	30.0	27.8%	31.7	-	54.1	-14.6	-
FCF(3)	16.7	18.8	13.0%	14.2	-	28.6	-53.4	-
Gross Debt	462.1	417.9	-9.6%	476.8	-12.4%	462.1	417.9	-9.6%
Net Debt	279.0	349.0	25.1%	367.8	-5.1%	279.0	349.0	25.1%
Net Debt/ EBITDA last 12 months	1.2 x	1.4 x	0.2x	1.5 x	-0.1x	1.2 x	1.4 x	0.2x
EBITDA/Interest Expenses(4) (last 12 months)	16.5 x	14.8 x	-1.7x	14.9 x	-0.1x	16.5 x	14.8 x	-1.7x
Debt/Total Funds (Debt + Shareholders' Funds)	31.0%	28.1%	-2.9pp	31.3%	-3.2pp	31.0%	28.1%	-2.9pp
Excluding the Securitisation Transaction:								
Net Debt	323.6	370.8	14.6%	394.6	-6.0%	323.6	370.8	14.6%
Net Debt/ EBITDA last 12 months	1.4 x	1.5 x	0.1x	1.6 x	-0.1x	1.4 x	1.5 x	0.1x
EBITDA/Interest Expenses(4) (last 12 months)	16.5 x	14.8 x	-1.7x	14.9 x	-0.1x	16.5 x	14.8 x	-1.7x

(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	3Q11	3Q12	Δ 12/11	2Q12	q.o.q.	9M11	9M12	Δ 12/11
EBITDA-Operating CAPEX	**34.5**	**24.7**	**-28.6%**	**30.9**	**-20.1%**	**98.2**	**90.3**	**-8.1%**
Change in WC	-11.2	7.0	-	2.9	139.5%	-47.0	-99.5	-111.7%
Non Cash Items & Other	0.1	-1.7	-	-2.1	19.8%	2.8	-5.4	-
Operating Cash Flow	**23.5**	**30.0**	**27.8%**	**31.7**	**-5.4%**	**54.1**	**-14.6**	**-**
Securitisation Transaction	-5.0	-5.0	0.0%	-5.0	0.0%	-15.0	-15.0	0.0%
Investments	0.0	0.0	-	-6.0	100.0%	0.0	-6.0	-
Own shares	0.0	-0.2	-	-2.5	93.9%	-2.2	-3.4	-52.2%
Financial results	-1.4	-4.1	-182.7%	-2.4	-68.9%	-6.2	-9.7	-56.0%
Income taxes	-0.4	-1.9	-	-1.6	-18.1%	-2.1	-4.8	-135.1%
FCF	**16.7**	**18.8**	**13.0%**	**14.2**	**32.7%**	**28.6**	**-53.4**	**-**

7.4. Sonaecom headcount

Sonaecom	3Q11	3Q12	Δ 12/11	2Q12	q.o.q.	9M11	9M12	Δ 12/11
Total Employees	**2,054**	**2,027**	**-1.3%**	**2,019**	**0.4%**	**2,054**	**2,027**	**-1.3%**
Shared Services and Corporate Centre	142	138	-2.8%	139	-0.7%	142	138	-2.8%
Telecommunications	1,085	1,019	-6.1%	1,025	-0.6%	1,085	1,019	-6.1%
SSI	569	622	9.3%	603	3.2%	569	622	9.3%
Online & Media	258	248	-3.9%	252	-1.6%	258	248	-3.9%

7.5. Optimus consolidated income statement

Million euros

OPTIMUS INCOME STATEMENT	3Q11	3Q12	Δ 12/11	2Q12	q.o.q.	9M11	9M12	Δ 12/11
Turnover	**197.2**	**182.7**	**-7.3%**	**178.9**	**2.1%**	**566.1**	**538.3**	**-4.9%**
Service Revenues	187.8	173.9	-7.4%	172.0	1.1%	545.7	517.2	-5.2%
Customer Revenues	146.3	134.5	-8.1%	133.7	0.6%	433.8	403.6	-6.9%
Operator Revenues	41.5	39.4	-5.0%	38.3	2.9%	111.9	113.5	1.5%
Equipment Sales	9.4	8.8	-5.9%	6.9	27.7%	20.5	21.2	3.4%
Other Revenues	**2.6**	**2.7**	**4.9%**	**3.3**	**-18.8%**	**8.6**	**8.6**	**0.0%**
Operating Costs	**137.0**	**119.5**	**-12.8%**	**118.7**	**0.6%**	**396.0**	**359.2**	**-9.3%**
Personnel Costs	13.4	11.7	-12.6%	11.0	6.8%	40.6	35.7	-12.0%
Direct Servicing Costs(1)	63.0	56.7	-10.1%	58.6	-3.2%	187.3	173.7	-7.3%
Commercial Costs(2)	27.1	23.0	-14.9%	17.7	30.0%	68.6	57.9	-15.6%
Other Operating Costs(3)	33.5	28.0	-16.4%	31.5	-11.0%	99.5	91.8	-7.7%
EBITDA	**62.7**	**65.9**	**5.1%**	**63.5**	**3.9%**	**178.8**	**187.8**	**5.0%**
EBITDA Margin (%)	31.8%	36.1%	4.3pp	35.5%	0.6pp	31.6%	34.9%	3.3pp
Operating CAPEX(4)	27.4	40.8	48.7%	33.3	22.4%	79.6	99.6	25.2%
Operating CAPEX as % of Turnover	13.9%	22.3%	8.4pp	18.6%	3.7pp	14.1%	18.5%	4.4pp
EBITDA - Operating CAPEX	35.3	25.1	-28.8%	30.1	-16.7%	99.2	88.2	-11.1%
Total CAPEX	27.5	40.9	48.9%	34.4	19.1%	79.7	100.8	26.5%

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

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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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