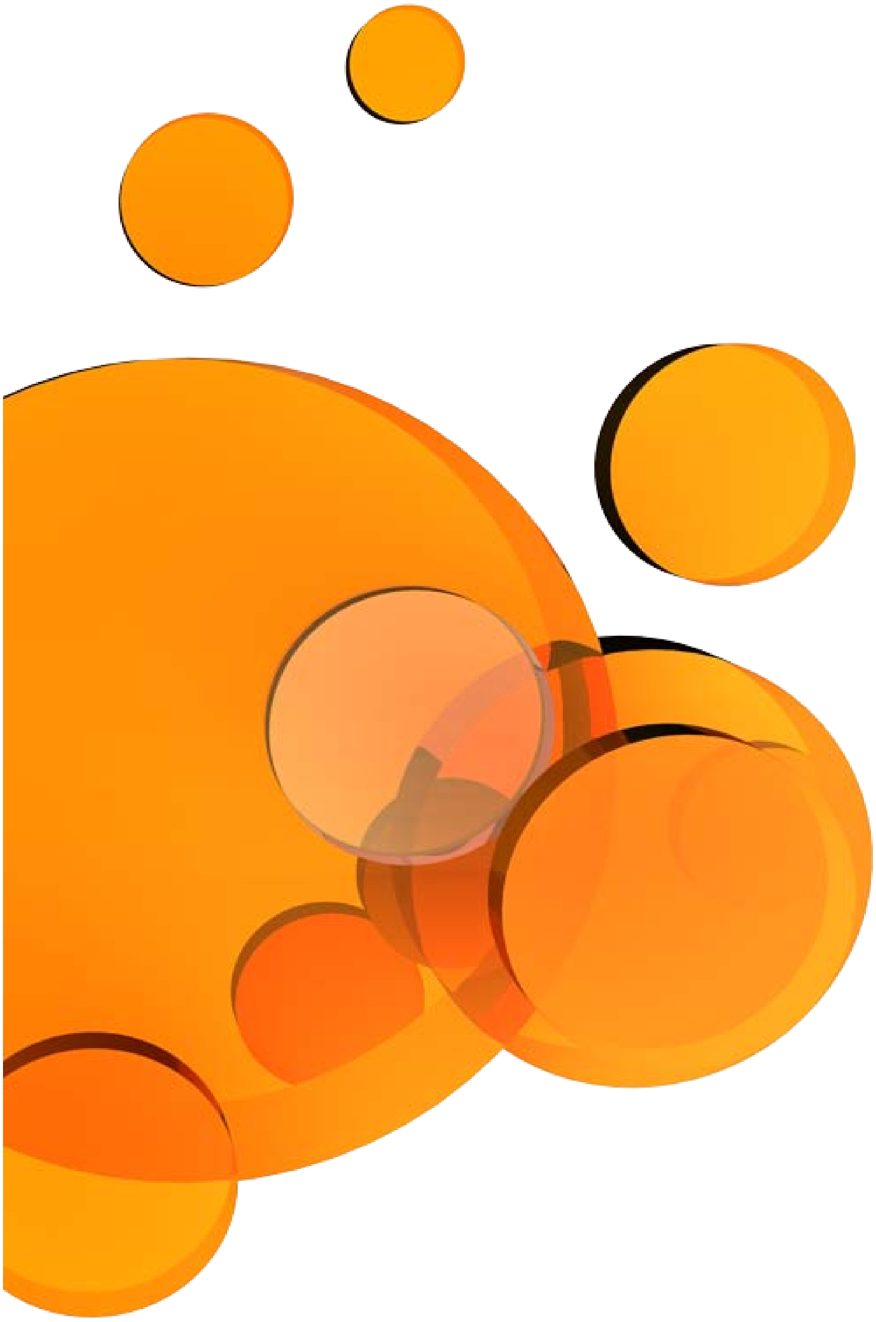
SONAECOM

Results Announcement

Full Year 2009



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Note:
The Consolidated Financial Information contained in this report was audited 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.

Headlines

Mobile Subscriber Base has grown y.o.y by 7.6%, reaching 3,433 million subscribers at the end of 2009

Mobile Customer Revenues again up by 1.6% y.o.y., reaching €461.9m, a new record for our mobile business

Data Revenues represented 28.1% of Mobile Service Revenues in 2009, an improvement of 5.6 pp vs. 2008

Consolidated EBITDA of €175.7m, 9.5% above 2008, despite a highly competitive market and reductions in regulated tariffs

Net Results of €5.7m in 2009, positive for the third consecutive year

Positive Consolidated FCF again of €4.3m in 4Q09 and €7.5m for FY09.
Net Debt at €298.5m, with our Net Debt to EBITDA ratio improving from 1.9x to 1.7x

SSI generating Revenues of 150m in 2009 and increasing EBITDA by 47.1% against 2008 on a comparable basis

Sonaecom's shares registered the second best performance in the PSI-20 during 2009, with a 92.2% increase

1. Message from Ângelo Paupério, CEO of Sonaecom

Sonaecom achieved a very good set of results in 2009, thanks to the successful implementation of the strategic guidelines we have set. 2009 was another challenging year, with a severe global recession leading to the launch of unprecedented forms of governmental support, aimed at delivering economic recovery. Against this turbulent background, the global telecoms industry remained relatively unaffected, further proof of the resilience of the sector, mainly explained by the fact that telecommunication services are increasingly considered as an item of non-discretionary spending. The Portuguese telecoms market was no exception, notwithstanding our very competitive home market.

Our strategy delivers

Following a long path to integration of our telecom business, Optimus is now our umbrella brand for all our telecommunication activities and commands a significant presence in all market segments. As far back as 2001, we started by implementing various fixed and mobile shared services areas, in pursuit of internal cost synergies. Afterwards, we pioneered technological convergence, by merging network platforms and teams. As the true alternative to the incumbent, anticipating SMEs and Corporate demand, we now have fully integrated sales and marketing teams to cover our mobile, fixed and convergent services for these segments.

Meanwhile, our Software and Information Systems (SSI) business continues to expand its international footprint, delivering strong growth while improving profitability.

To achieve greater clarity and agility, we strengthened our internal organization by introducing a new management structure that incorporates a more focused team to manage our telecommunication activities. The objective is to support the execution of our strategy by giving the three key areas of our business greater autonomy.
We believe that revitalizing our organization, while opening up new opportunities for our people, is fundamental to sparking the energy that is essential to overcoming our challenges and exceeding our growth and value creation ambitions.

Our results exceeded the targets set at the beginning for a challenging year

We have successfully delivered a solid top line performance with continued growth in Mobile Customer Revenues and an excellent performance from our SSI division.
Having implemented a series of successful cost control initiatives, we are keeping our structure costs under tight control and rigorously managing our CAPEX spend.
These factors have translated into a significantly improved Consolidated EBITDA performance, of 175.7 million euros, 9.5% above last year.

Importantly, these improvements enabled us to achieve a positive Consolidated Free Cash Flow of 7.5 million euros, which represented, on a comparable basis, an impressive 112.7 million euros increase in cash flow generation compared with 2008.
Our positive cash flow performance has allowed us to further improve Sonaecom's capital structure. Given the prevailing macroeconomic environment, we believe this is a particularly notable achievement.

Leading innovation

Following our proven track record as the clear leader in innovation, we have continued to launch the most advanced services and solutions through our leading-edge network.

In terms of our business model, we adopted a "capital light" deployment strategy for our FTTH network, focusing on the services we deliver to our customers while improving the economic rationale for our infra structure investments. This approach aligns directly with our long-held argument in favour of a single shared next generation network (NGN) in Portugal.
During 2009, we established important partnerships with Vodafone Portugal and DST (the subsidiary of a national construction group) aimed at further expanding our fibre coverage. With Vodafone Portugal, we signed an agreement that will be implemented via a new company responsible for a shared FTTH network. Additionally, we signed an agreement to explore DST's current and future FTTH networks. Through the provision of our retail offers, we also partnered DST during the public tenders for NGNs in more sparsely populated areas of Portugal. In early 2010, DST was awarded the contracts for the Northern and Alentejo and Algarve regions.

Once again, WeDo Technologies' success was publicly recognised, as the company won the COTEC-BPI 2009 Innovation Award, an annual initiative that recognizes the top Portuguese SME, in terms of innovation and main achievements.

We are confident in our future

During 2010, we will continue to pursue our strategy of establishing Optimus as the best integrated telecommunications operator in Portugal. To this end, we will continue to support the rapid expansion of our services by investing in our market leading, state-of-the-art network.

At SSI, we intend to keep growing in the Portuguese and international markets by extending our worldwide leadership in the Revenue Assurance market, in the Telecommunications sector, by broadening our portfolio into complementary Fraud Management solutions, and by expanding to other sectors.

At Público, we will continue to explore emerging online and brand extension opportunities and, at the same time, reinforce the newspaper's role as a source of independent information in Portugal.

I would like to conclude by emphasizing that, although we expect 2010 to be another challenging year, we face our future with considerable optimism and confidence, certain that our strategy is the right one when it comes to creating long term value for our shareholders. We know that we can count on a comfortable capital structure and a stable shareholding base, including reference shareholders who are experienced and committed to our sector. I am equally confident that we have the right organization, with an experienced and motivated team, with the expertise to nurture our innovation-based culture, while adopting robust sustainability practices.

2. Quarter Highlights

KEY OPERATING INDICATORS

OPERATING KPI's	4Q08	4Q09	D09/08	3Q09	q.o.q	2008	2009	D09/08
Mobile Business								
Customers (EOP) ('000)	3.191,6	3.432,6	7,6%	3.326,9	3,2%	3.191,6	3.432,6	7,6%
Data as % Service Revenues	25,3%	29,2%	3.9pp	28,1%	1.1pp	22,5%	28,1%	5.6pp
ARPU[1] (euros)	16,1	14,3	-11,7%	15,2	-6,5%	16,8	14,8	-11,9%
MOU[2] (min.)	131,3	136,5	4,0%	133,8	2,0%	128,4	132,4	3,1%
Wireline Business								
Total Accesses (EOP)	592.900	483.613	-18,4%	513.822	-5,9%	592.900	483.613	-18,4%
Direct	455.027	403.212	-11,4%	426.431	-5,4%	455.027	403.212	-11,4%
Indirect	137.873	80.401	-41,7%	87.391	-8,0%	137.873	80.401	-41,7%
Average Revenue per Access - Retail[3]	22,4	23,8	6,4%	22,5	5,5%	21,5	22,9	6,2%
Sonaecom								
Total Employees	1.968	2.013	2,3%	2.003	0,5%	1.968	2.013	2,3%
Telecomunications	442	432	-2,3%	435	-0,7%	442	432	-2,3%
SSI	475	522	9,9%	511	2,2%	475	522	9,9%
Media	267	257	-3,7%	257	0,0%	267	257	-3,7%
Shared Services[4] and Corporate Centre	784	802	2,3%	800	0,3%	784	802	2,3%

(1) Average Monthly Revenue per User; (2) Minutes of Use per Customer per month; (3) Excluding Mass Calling services' revenues; (4) Shared Services includes, among other functions, Customer Service, Technical, IT/IS, Accounting, Legal and Regulation. Corporate Centre staff has been reduced in relation to 2008.

KEY FINANCIAL INDICATORS

Million euros

CONSOLIDATED FINANCIAL KPI's	4Q08	4Q09	D09/08	3Q09	q.o.q	2008	2009	D09/08
Turnover	249,3	232,8	-6,6%	235,0	-0,9%	976,2	949,4	-2,7%
Service Revenues	215,6	199,7	-7,4%	206,8	-3,4%	869,7	808,2	-7,1%
Customer Revenues	167,4	162,9	-2,7%	163,1	-0,1%	674,2	649,4	-3,7%
Operator Revenues	48,2	36,8	-23,7%	43,6	-15,8%	195,5	158,8	-18,8%
EBITDA	43,5	39,1	-10,0%	45,0	-13,1%	160,4	175,7	9,5%
EBITDA Margin (%)	17,4%	16,8%	-0.6pp	19,2%	-2.3pp	16,4%	18,5%	2.1pp
Net Results - Group Share[1]	13,1	3,0	-77,1%	1,3	125,4%	5,0	5,7	15,0%
Operating CAPEX[2]	77,7	48,1	-38,1%	35,5	35,5%	192,1	135,9	-29,3%
Operating CAPEX as % of Turnover	31,2%	20,7%	-10.5pp	15,1%	5.6pp	19,7%	14,3%	-5.4pp
EBITDA - Operating CAPEX	-34,2	-8,9	73,9%	9,6	-	-31,7	39,8	-
FCF[3]	85,3	4,3	-95,0%	20,9	-79,6%	14,1	7,5	-46,7%
Net Debt	299,7	298,5	-0,4%	302,2	-1,2%	299,7	298,5	-0,4%
Net Debt/ EBITDA (last 12 months)	1,9 x	1,7 x	-0.2x	1,7 x	0pp	1,9 x	1,7 x	-0.2x

(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 7.6% to 3.43 million at the end of 2009, with net additions in the period reaching 241.0 thousand. Data revenues represented 28.1% of Service Revenues in 2009, up 5.6pp against 2008; (ii) Total Wireline direct accesses reached 403.2 thousand, 23.2 thousand less than at the end of the previous quarter.

- **Personnel:** total headcount has increased by 2.3% when compared to the previous year, reaching a total of 2,013 employees at the end of 2009, mostly due to the headcount growth (i) at SSI, driven by increased activity and by the international expansion of WeDo Technologies (which already has 153 employees outside of Portugal); and (ii) at the shared services division, mostly due to the decision to reduce the use of certain outsourcing services. Corporate Centre staff has been reduced in relation to 2008 and represented less than 1.1% of total headcount at the end of 2009.

- **Consolidated Service Revenues** decreased by 7.1% against 2008, as a result of both a 18.8% reduction in Operator Revenues, resulting from the negative impacts of regulated tariffs (roaming pricing and, mainly, the introduction of the new mobile termination rates) and a 3.7% decrease in Customer Revenues, fully driven by the negative evolution at the Wireline Residential business.

- **Consolidated EBITDA** was 175.7 million euros, almost 10% higher than in 2008, mainly as a result of the improved contributions from the Mobile and SSI Businesses. EBITDA margin has improved by 2.1pp, from 16.4% in 2008 to 18.5% in 2009, mainly due to: (i) a better service margin, reflecting the increased Mobile Customer Revenues; (ii) lower commercial costs, particularly marketing and sales costs, at our Mobile business; and; (iii) a 11.9% reduction in General and Administrative expenses, as a result of the cost saving initiatives implemented throughout the year.

3. Consolidated Results

3.1. Consolidated Income Statement

Million euros

CONSOLIDATED INCOME STATEMENT	4Q08	4Q09	D09/08	3Q09	q.o.q	2008	2009	D09/08
Turnover	249,3	232,8	-6,6%	235,0	-0,9%	976,2	949,4	-2,7%
Mobile	160,5	153,7	-4,3%	154,5	-0,5%	629,1	607,0	-3,5%
Wireline	71,3	58,7	-17,6%	62,2	-5,6%	291,4	245,2	-15,9%
Online & Media	8,1	7,9	-1,9%	7,3	8,4%	32,4	30,4	-6,3%
SSI	34,5	34,3	-0,4%	33,4	2,6%	120,1	149,9	24,8%
Other & Eliminations	-25,0	-21,8	12,7%	-22,4	2,7%	-96,9	-83,1	14,2%
Other Revenues	4,8	3,9	-17,1%	0,8	-	10,5	7,0	-33,0%
Operating Costs	203,4	194,9	-4,2%	188,0	3,7%	804,5	761,7	-5,3%
Personnel Costs	24,2	24,6	1,8%	24,2	1,5%	94,8	98,0	3,4%
Direct Servicing Costs(1)	75,4	67,1	-11,0%	67,8	-1,0%	320,1	268,4	-16,1%
Commercial Costs(2)	65,1	65,1	-0,1%	59,6	9,1%	235,9	248,2	5,2%
Other Operating Costs(3)	38,7	38,1	-1,6%	36,3	5,1%	153,7	147,1	-4,3%
EBITDAP	50,7	41,8	-17,5%	47,8	-12,5%	182,3	194,7	6,8%
Provisions and Impairment Losses	7,2	2,7	-62,6%	2,8	-3,5%	21,9	19,0	-13,0%
EBITDA	43,5	39,1	-10,0%	45,0	-13,1%	160,4	175,7	9,5%
EBITDA Margin (%)	17,4%	16,8%	-0.6pp	19,2%	-2.3pp	16,4%	18,5%	2.1pp
Mobile	36,8	35,4	-3,8%	42,5	-16,7%	142,4	166,7	17,1%
Wireline	5,6	2,3	-58,2%	1,7	32,9%	14,0	5,7	-59,1%
Online & Media	-0,4	-0,4	18,5%	-0,6	40,9%	-3,2	-2,7	17,4%
SSI	1,8	2,6	43,5%	1,9	39,7%	7,1	8,4	17,8%
Other & Eliminations	-0,2	-0,8	-	-0,4	-88,0%	0,0	-2,5	-
Depreciation & Amortization	39,3	32,9	-16,2%	39,8	-17,2%	157,6	151,8	-3,7%
EBIT	4,2	6,2	48,8%	5,3	17,8%	2,8	23,9	-
Net Financial Results	-5,4	-1,8	66,9%	-3,6	50,1%	-17,8	-12,7	28,6%
Financial Income	1,2	1,6	35,4%	1,2	27,8%	3,8	5,9	57,3%
Financial Expenses	6,6	3,4	-48,8%	4,8	-30,3%	21,5	18,6	-13,6%
EBT	-1,2	4,4	-	1,7	162,9%	-15,0	11,2	-
Tax results	14,3	-1,3	-	-0,3	-	20,2	-5,1	-
Net Results	13,1	3,1	-76,5%	1,4	118,9%	5,2	6,1	16,3%
Group Share	13,1	3,0	-77,1%	1,3	125,4%	5,0	5,7	15,0%
Attributable to Minority Interests	0,0	0,1	-	0,1	5,2%	0,2	0,3	44,9%

(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 + others.

Turnover

Consolidated Turnover totalled 949.4 million euros in 2009, benefiting from higher SSI Turnover (+24.8%) and higher Mobile Customer Revenues (+1.6%), although 2.7% below 2008, mainly driven by a 22.2% reduction in Mobile Operator Revenues.

Consolidated Service Revenues decreased by 7.1% to 808.2 million euros. The lower Service Revenues at our Telecommunications and Online & Media divisions were not completely offset by the higher Service Revenues at SSI .

Consolidated Customer Revenues were down by 3.7% when compared to 2008, despite the positive performance of Mobile Customer Revenues and higher SSI Service Revenues, mainly driven by lower Customer Revenues at our Wireline business.

Operating costs

Total operating costs reached 761.7 million, 5.3% below 2008, representing 80.2% of 2009 total Turnover, a clear sign that the cost control initiatives implemented throughout 2009 are delivering results.

The main drivers of the evolution of operating costs in 2009 were the following:

a) **Personnel Costs** were up by 3.4% against 2008, reaching 98.0 million euros in 2009, partly driven by the 2.3% increase in total headcount;

b) **Direct Servicing Costs** decreased by 16.1%, when compared to 2008, driven mainly by a 20.6% decrease in interconnection and content costs, due to the new MTR programme and to lower ULL related costs;

c) **Commercial Costs** increased y.o.y by 5.2%, to 248.2 million euros in 2009, 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 at our Telco Business;
d) **Other Operating Costs** decreased 4.3% against 2008, mainly as a consequence of reductions in general & administrative costs (circa 12.0% y.o.y.)

Provisions and Impairment Losses decreased y.o.y. in 2009 by approximately 2.9 million euros as a result of lower provisions for bad debt, driven by a good performance in our collections, despite the deteriorating economic environment, and also lower provisions for other risks and charges.

EBITDA

As a result of the performance detailed above, in terms of revenues and costs, Consolidated EBITDA improved in 2009 by 9.5% to 175.7 million euros generating a margin of 18.5%, compared to a margin of 16.4% in 2008. The breakdown of EBITDA performance by business was as follows:

a) EBITDA at our Mobile Business was of 166.7 million euros, up by 17.1% when compared to 2008, mainly explained by higher Customer Revenues and lower commercial and interconnection costs, which were partly offset by lower roaming revenues. The Mobile Business achieved an EBITDA margin of 27.5%, 4.8pp above 2008 EBITDA margin, an excellent achievement given the prevailing sector conditions;
b) The Wireline Business generated an EBITDA of 5.7 million euros (8.3 million euros below 2008). Notwithstanding the positive performance at both the Wholesale and at the Corporate & SMEs segments, which continue to grow both in terms of customers and Customer Revenues, this decrease is a result of the loss of indirect access revenues and competition in the Residential market;
c) EBITDA at SSI increased by 47.1% when compared to 2008 on a comparable basis, to circa 8.4 million euros in 2009, mainly as a result of a substantially improved EBITDA performance at WeDo and Bizdirect, which have increased EBITDA by 1.7 and 0.8 million euros y.o.y, respectively, and at Saphety (+0.6 million euros). Including the 1.4 million euros one-off gain registered in 2008 related to the acquisition of Tecnológica, SSI's EBITDA grew by 17.8% y.o.y.;
d) Online & Media's EBITDA in 2009, despite better than last year by 17.4%, was negative by 2.7 million euros. However, it should be noted that it improved 40.9% between the third and the fourth quarter of 2009, as a result of the continuing implementation of cost optimization measures and the higher level of advertising revenues.

Net Profit

Net Results Group Share were positive by 5.7 million euros in 2009, compared to approximately 5.0 million euros in 2008, mainly due to the much improved EBITDA performance and to the 28.6% decrease in net financial results, despite the impact of the securitisation transaction.

Depreciation and amortization charges decreased by approximately 3.7% when compared to last year, reaching 151.8 million euros in 2009, due to an update of the estimated useful life of some specific technical assets. Our asset base continued to increase, as a consequence of our strategy in expanding our mobile and fibre access network.

When compared to 2008, net financial charges decreased by 28.6%, to 12.7 million euros in 2009, reflecting:

a) lower financial expenses, down by 2.9 million euros, due to (i) the lower average Gross Debt in 2009 and (ii) the decrease in the average cost of debt (from 5.1% in 2008 to 2.3% in 2009), as a reflection of movements in market rates; and
b) a 2.1 million increase in financial income, driven by the higher level of average liquidity in 2009 mainly as a result of the increased liquidity generated by the completion of the receivables securitisation transaction at the end of 2008.

The tax line in 2009 showed a cost of 5.1 million euros, compared to a benefit of 20.2 million euros in 2008, driven mainly by the improved EBT performance (from a negative 15.0 million to a positive 11.2 million euros),

3.2. Consolidated Balance Sheet

Million euros

CONSOLIDATED BALANCE SHEET	2008	2009	09/08	3Q09	q.o.q
Total Net Assets	**1.973,4**	**1.920,1**	**-2,7%**	**1.965,5**	**-2,3%**
Non Current Assets	1.510,7	1.506,4	-0,3%	1.491,1	1,0%
Tangible and Intangible Assets	858,6	857,1	-0,2%	842,2	1,8%
Goodwill	526,0	526,1	0,0%	526,0	0,0%
Investments	1,2	1,2	0,0%	1,2	0,0%
Deferred Tax Assets	124,9	121,9	-2,4%	121,7	0,1%
Current Assets	462,8	413,7	-10,6%	474,4	-12,8%
Trade Debtors	173,7	158,9	-8,5%	160,9	-1,2%
Liquidity	105,7	83,6	-20,9%	109,9	-23,9%
Others	183,4	171,2	-6,6%	203,6	-15,9%
Shareholders' Funds	**929,0**	**935,6**	**0,7%**	**932,9**	**0,3%**
Group Share	928,5	935,1	0,7%	932,5	0,3%
Minority Interests	0,5	0,5	12,2%	0,4	19,2%
Total Liabilities	**1.044,5**	**984,5**	**-5,7%**	**1.032,6**	**-4,7%**
Non Current Liabilities	572,4	444,7	-22,3%	457,5	-2,8%
Bank Loans	381,7	299,1	-21,6%	299,7	-0,2%
Provisions for Other Liabilities and Charges	32,2	32,2	-0,1%	32,7	-1,7%
Others	158,5	113,4	-28,4%	125,1	-9,4%
Current Liabilities	472,1	539,7	14,3%	575,1	-6,1%
Bank Loans	5,0	59,3	-	89,1	-33,5%
Trade Creditors	179,1	195,3	9,1%	185,4	5,4%
Others	288,0	285,2	-1,0%	300,6	-5,1%
Operating CAPEX(1)	192,1	135,9	-29,3%	35,5	-
Operating CAPEX as % of Turnover	19,7%	14,3%	-5.4pp	15,1%	-0.8pp
Total CAPEX	289,7	151,8	-47,6%	50,2	-
EBITDA - Operating CAPEX	-31,7	39,8	-	9,6	-
Operating Cash Flow(2)	-55,2	44,5	-	29,6	50,5%
FCF(3)	14,1	7,5	-46,7%	20,9	-64,1%
Gross Debt	405,5	382,2	-5,7%	412,2	-7,3%
Net Debt	299,7	298,5	-0,4%	302,2	-1,2%
Net Debt/ EBITDA	1,9 x	1,7 x	-0.2x	1,7 x	0x
EBITDA/Interest Expenses(4)	8,1 x	9,8 x	1.8x	8,9 x	0.9x
Debt/Total Funds (Debt + Shareholders' Funds)	30,4%	29,0%	-1.4pp	30,6%	-1.6pp
Excluding the Securitisation Transaction:					
Net Debt	399,0	377,8	-5,3%	386,5	-2,2%
Net Debt/ EBITDA	2,5 x	2,2 x	-0.3x	2,1 x	0x
EBITDA/Interest Expenses(4)	8,1 x	9,8 x	1.8x	8,9 x	0.9x

(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.

CAPEX

During 2009, we maintained our investments in the coverage and capacity of our mobile network, upgrading our 3G network with HSPA and increasing the backhaul capacity, placing, once again, our mobile network at the forefront of technology, coverage and capacity. On what concerns FTTH, by pursuing our "capital light" strategy through 2009, we have successfully exceeded our stated target of 200 thousand homes passed.

Total Consolidated CAPEX during 2009 was 151.8 million euros while Operating CAPEX reached 135.9 million euros, 29.3% below 2008, and representing 14.3% of Turnover. The level of CAPEX in 2009 was in accordance with our investment plan for last year.

Capital structure

Consolidated Gross Debt as at the end of 2009 totalled 382.2 million euros, 23.3 million euros below the level registered at the end of 2008 and mainly comprised:

- 150 million euros long-term privately placed Bonds, due in June 2013;
- 165 million euros used under the underwritten committed 250 million euros Commercial Paper Programme contracted in 2007 and with final maturity in July 2012;
- 40 million euros used under the underwritten committed 70 million euros Commercial Paper Programme contracted in 2005 and committed for a rolling period of 364 days;
- 3.5 million euros of short term debt, out of a total of approximately 30 million of short term credit facilities; and
- 23.8 million euros of financial leases.

With the final maturity in June 2009 of the last Interest Rate Swap negotiated during 2007, all of the outstanding debt is now based on floating rates, which has allowed the capture of the full benefits arising from lower market rates

Consolidated Net Debt at the end of 2009 stood at 298.5 million euros, a 0.4% reduction when compared to 2008, mainly reflecting the positive FCF evolution between the two periods, including the amortization of 20 million euros related to the securitisation transaction executed last year, and a 5 million euros increase in leasings.

In terms of evolution of the key financial ratios, Net Debt to EBITDA reached 1.7x in 2009, which reflects an improvement of 0.2x in relation to the end of 2008. This positive evolution was determined by both a decrease in Net Debt and a higher EBITDA level in 2009. The Interest Cover ratio evolved from 8.1x in 2008 to 9.8x at the end of 2009, as a consequence of the improved EBITDA performance and a lower level of financial expenses. The ratio of Consolidated Debt to Total Funds improved slightly, having reached 29.0% in 2009 (against 30.4% in 2008), reflecting the above mentioned movements in gross debt, and the 0.7% increase in Shareholder's Funds. The latter resulted mainly from the positive net income generated in the period, which has more than compensated the net effect of the movements in own shares, which amounted to approximately 3.1 million euros in 2009, pursuant to the authorisations granted by shareholders at Sonaecom's Shareholders General Meetings aimed at covering the obligations arising from the employees' Medium Term Incentive Plan.

Excluding the impact of the receivables securitisation, Consolidated Net Debt stood, at the end of 2009, at 377.8 million euros, 5.3% below the level registered at the end of 2008, reflecting primarily the positive FCF generated between the two dates.

Additionally, in relation to the securitisation transaction, it should be noted that, during 2009, a principal amount of 20 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 2009, the sum of cash and non-utilized committed credit lines at the Sonaecom Group stood at approximately 225.6 million euros.

Shareholders' Funds

At the end of 2009, Shareholders' Funds totalled 935.6 million euros, compared to 929.0 million euros at the end of 2008, reflecting mainly the net profits generated in the period, which has more than offset the net impact of the movements in own shares between the two dates, associated with our employee MTIP obligations.

FCF

Million euros

LEVERED FREE CASH FLOW	4Q08	4Q09	D09/08	3Q09	q.o.q	2008	2009	D09/08
EBITDA-Operating CAPEX	**-34.2**	**-8.9**	**73.9%**	**9.6**	**-**	**-31.7**	**39.8**	**-**
Change in WC	30.2	19.3	-36.1%	18.8	2.9%	-30.6	-4.1	86.7%
Non Cash Items & Other	-1.9	1.3	-	1.0	37.6%	2.8	8.8	-
Operating Cash Flow	**-5.9**	**11.7**	**-**	**29.3**	**-60.1%**	**-59.5**	**44.6**	**-**
Financial Investments	0.0	0.0	-	0.0	-	-0.2	0.0	100.0%
Securitisation Transaction	99.3	-5.0	-	-5.0	0.0%	99.3	-20.0	-
Own shares	-2.8	-1.1	58.4%	0.0	-	-8.8	-3.1	64.5%
Public Tender Offer	0.0	0.0	-	0.0	-	-0.1	0.0	100.0%
Financial results	-5.4	-1.3	75.8%	-3.4	62.1%	-16.6	-13.9	16.3%
Income taxes	0.0	0.0	-	0.0	-	0.0	0.0	-
FCF	85.3	4.3	-95.0%	20.9	-79.6%	14.1	7.5	-46.7%

Consolidated FCF in 2009 was positive 7.5 million euros, compared to a positive 14.1 million euros in 2008. 2009 was the third consecutive year with positive FCF and, importantly, on a comparable basis, i.e. excluding the net impact from the securitisation transaction: (i) the 99.3 million euros inflow in 2008; and (ii) the 20.0 million euros outflow in 2009, our Consolidated FCF improved from negative 85.2 million euros to positive 27.5 million euros, an increase of 112.7 million euros. This positive performance, also visible in terms of Operating Cash Flow evolution, is a clear sign of strong delivery on the stated objective of cash flow control during the year.

On what concerns 2009, Consolidated FCF comprised the following main elements:

- A positive EBITDA minus Operating CAPEX of 39.8 million euros, 71.5 million euros above the level registered in 2008, reflecting both a higher EBITDA and a lower Operating Capex, benefiting from our "capital light" approach;
- A marginal negative Working Capital of 4.1 million euros (an improvement of 26.5 million euros when compared to 2008), mainly as a result of lower credit from Fixed Asset Suppliers as the level of investment in 2009 was quite below of that in 2008.
- Notwithstanding the partial payments that "Fundação para as Comunicações Móveis" made through the year, which enabled a reduction of the amount outstanding, it should be noted that investment in Working Capital includes an extraordinary net amount, of approximately 16.6 million euros, to be received from this foundation, which was created to promote the information society in Portugal, in which our participation in the "e-Initiatives" programme is included.
- Outflows in the amount of 20 million euros related to receivables allocated to the securitisation transaction;
- Payments related to the movements in own shares during 2009, in the amount of 3.1 million euros associated with our employee MTIP obligations; and
- Financial outflows of 13.9 million euros, approximately 1.3 million euros below the level registered in 2008, mainly driven by a lower cost of debt determined by reductions in market rates, despite the financial expenses associated with the securitisation transaction.

4. Telecommunications

4.1. Mobile Business

2009 was a positive year for our Mobile business, both in terms of operational and financial indicators. The several commercial initiatives implemented and the investments made in supporting the brand, in the coverage and capacity of our network and in improving our distribution capacity and customer service are delivering good results across all Mobile segments.

4.1.1. Operational data

MOBILE OPERATIONAL KPI's	4Q08	4Q09	D 09/08	3Q09	q.o.q	2008	2009	D 09/08
Customers (EOP) ('000)	3.191,6	3.432,6	7,6%	3.326,9	3,2%	3.191,6	3.432,6	7,6%
Net Additions ('000)	133,3	105,7	-20,7%	58,2	81,7%	298,1	241,0	-19,1%
Data as % Service Revenues	25,3%	29,2%	3.9pp	28,1%	1.1pp	22,5%	28,1%	5.6pp
Total #SMS/month/user	51,0	50,9	-0,3%	49,1	3,7%	51,4	48,8	-5,1%
MOU[(1)] (min.)	131,3	136,5	4,0%	133,8	2,0%	128,4	132,4	3,1%
ARPU[(2)] (euros)	16,1	14,3	-11,7%	15,2	-6,5%	16,8	14,8	-11,9%
Customer Monthly Bill	12,8	11,8	-7,4%	12,2	-3,3%	13,0	12,1	-7,0%
Interconnection	3,4	2,4	-28,1%	3,0	-19,3%	3,8	2,8	-28,4%
ARPM[(3)] (euros)	0,12	0,10	-15,1%	0,11	-8,3%	0,13	0,11	-14,5%

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

Customer base

At the end of 2009, our Mobile customer base increased by 7.6% to more than 3.43 million customers, compared to circa 3.19 million at the end of 2008, with net additions reaching circa 106 thousand in the 4Q09, approximately 82% above the level registered in the previous quarter, with growth being achieved across all our Mobile segments.

Contract customers continue to increase their weight in the total customer base, having reached in 2009 approximately 31.5% of the total mobile base, an increase of 1.4pp against the end of 2008.

During 2009, Mobile customer's ARPU was 14.8 euros, down by approximately 2.0 euros against 2008, due to a combination between lower interconnection revenues (which decreased from 3.8 euros to 2.8 euros) and the lower Customer Monthly Bill (which decreased from 13.0 euros to 12.1 euros), notwithstanding the 3.1% increase in the level of MOU.

Data Services and Mobile Broadband

We have been able to sustain a material growth of data usage, namely through the promotion of our mobile broadband product "Kanguru", based on HSPA technologies. Optimus was the first operator to introduce a commercial offer of a wireless broadband product based on HSPA+. With download speeds of up to 21.6 Mbps and upload speeds of up to 5.7 Mbps, the new Kanguru Xpress offer and the new Optimus Kanguru Pen were made available at the end of 1H09.

During the 4Q09, after leading the most important innovations in the category, Optimus Kanguru concluded another important step in its course for technological evolution with the tests on MIMO (Multiple Input Multiple Output) which, together with HSPA+ technology, already implemented in our network, allows maximum speeds of up to 28 Mbps. Also, we are already preparing a 3G technology evolution, using "Dual Carrier" technology, which will allow download speeds up to 42 Mbps.

Data Revenues represented 28.1% of Service Revenues in 2009, an improvement of 5.6pp vs. 2008, 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 72.3% of total data revenues in 2009, compared to 64.7% in 2008. Importantly, the revenues from non-SMS data services continue to post significant increases, having grown y.o.y. in 2009 by more than 35%.

4.1.2. Financial data

Million euros									
MOBILE INCOME STATEMENT	4Q08	4Q09	D 09/08	3Q09	q.o.q	2008	2009	D 09/08
Turnover	**160,5**	**153,7**	**-4,3%**	**154,5**	**-0,5%**	**629,1**	**607,0**	**-3,5%**
Service Revenues	147,5	140,4	-4,8%	146,3	-4,0%	588,9	566,4	-3,8%
Customer Revenues	116,7	116,5	-0,1%	117,5	-0,8%	454,5	461,9	1,6%
Operator Revenues	30,8	23,9	-22,5%	28,8	-17,2%	134,4	104,5	-22,2%
Equipment Sales	13,0	13,3	2,0%	8,2	61,6%	40,2	40,6	0,9%
Other Revenues	**11,7**	**11,0**	**-6,0%**	**7,7**	**42,2%**	**46,5**	**36,2**	**-22,3%**
Operating Costs	**129,6**	**128,4**	**-0,9%**	**118,2**	**8,7%**	**518,9**	**465,5**	**-10,3%**
Personnel Costs	14,0	13,8	-1,2%	13,2	4,4%	51,2	53,7	5,0%
Direct Servicing Costs(1)	44,3	43,2	-2,5%	41,6	4,0%	192,7	167,8	-13,0%
Commercial Costs(2)	41,4	42,2	1,8%	36,7	14,8%	158,0	134,7	-14,7%
Other Operating Costs(3)	29,9	29,3	-2,3%	26,7	9,7%	117,0	109,4	-6,5%
EBITDAP	**42,6**	**36,3**	**-14,9%**	**44,1**	**-17,7%**	**156,8**	**177,7**	**13,3%**
Provisions and Impairment Losses	5,8	0,9	-84,6%	1,6	-45,0%	14,4	10,9	-23,9%
EBITDA	**36,8**	**35,4**	**-3,8%**	**42,5**	**-16,7%**	**142,4**	**166,7**	**17,1%**
EBITDA Margin (%)	22,9%	23,0%	0,1pp	27,5%	-4,5pp	22,6%	27,5%	4,8pp
Operating CAPEX(4)	58,8	28,7	-51,2%	23,2	23,4%	145,6	82,8	-43,2%
Operating CAPEX as % of Turnover	36,6%	18,7%	-18pp	15,0%	3,6pp	23,1%	13,6%	-9,5pp
EBITDA - Operating CAPEX	-22,0	6,7	-	19,2	-65,2%	-3,2	83,9	-
Total CAPEX	59,7	29,0	-51,4%	37,9	-23,4%	244,7	98,7	-59,7%

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

4.2. Wireline Business

During 2009, we continued to leverage our network to provide, under the Optimus brand, convergent services to the Corporate and SMEs markets, in which our strategic positioning as an integrated and global player has been particularly appealing to customers and where we consistently have been delivering positive results, both in terms of increased customer base and in terms of profitability.

Besides Corporate and SMEs, we also provide Wholesale and Residential solutions. In the Wholesale segment, providing voice and data services to national and international operators, carriers and resellers that are looking for quality carrier services in Portugal and abroad, we continued to achieve our goals. In the Wireline Residential segment, we have been increasingly focusing on providing multiple play services, including voice, Internet and TV, supported over our own next generation access network, as reflected in the increased average Wireline Revenue per Access of 22.9 euros, up by 6.2% against 2008.

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4.2.1. Operational data

WIRELINE OPERATIONAL KPI's	4Q08	4Q09	D 09/08	3Q09	q.o.q	2008	2009	D 09/08
Total Accesses	**592.900**	**483.613**	**-18,4%**	**513.822**	**-5,9%**	**592.900**	**483.613**	**-18,4%**
Direct Accesses	**455.027**	**403.212**	**-11,4%**	**426.431**	**-5,4%**	**455.027**	**403.212**	**-11,4%**
Direct Voice	246.032	214.865	-12,7%	227.328	-5,5%	246.032	214.865	-12,7%
Direct Broadband	188.304	146.349	-22,3%	162.893	-10,2%	188.304	146.349	-22,3%
Other Direct Services	20.691	41.998	103,0%	36.210	16,0%	20.691	41.998	103,0%
Indirect Accesses	**137.873**	**80.401**	**-41,7%**	**87.391**	**-8,0%**	**137.873**	**80.401**	**-41,7%**
Unbundled COs with transmission	184	198	7,6%	195	1,5%	184	198	7,6%
Unbundled COs with ADSL2+	174	179	2,9%	177	1,1%	174	179	2,9%
Direct access as % Cust. Revenues	77,2%	75,9%	-1.3pp	75,9%	0pp	71,4%	76,8%	5.3pp
Average Revenue per Access - Retail	22,4	23,8	6,4%	22,5	5,5%	21,5	22,9	6,2%

Customer base

In 2009, the Corporate and SMEs segment was able to increase its market presence, with the number of Total Accesses evolving positively, both in terms of indirect accesses and in terms of direct accesses.

Notwithstanding this positive evolution, Wireline Total Accesses reached 483.6 thousand, a decrease of 18.4% compared to the end of 2008, explained by a 11.4% decrease in direct accesses and, mainly, by a 41.7% reduction in indirect accesses.

Quarterly direct access net additions were negative in 4Q09, by circa 23.2 thousand accesses, as a result of the trends evidenced in the Wireline Residential segment since the second part of 2008, namely slower expansion of the addressable market for our ULL offers.

Fibre access network

We have continued the implementation of FTTH in certain areas of Porto and Lisbon, having exceeded our coverage goal of 200 thousand homes passed. It's important to refer that more than 80% of our fibre customer have subscribed to triple play packages. 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.

With the aim of further improving customer experience and answering the needs of certain market segments, we have introduced an "RF Overlay" functionality in our services, which enables TV multi room viewing without additional set top boxes.

In accordance with our strategy to pursue a "capital light" deployment, we have completed during 3Q09 an agreement with DST to commercially explore the current and future zones passed by that company's fibre project. In parallel, we have agreed to partner with DST in the public tender process for the deployment of NGNs in the Alentejo, Algarve, North and Centre regions, providing our retail services under the bid presented by that company.

Moreover, in December 2009, Sonaecom reached an agreement with Vodafone Portugal, regarding mutual cooperation in the construction, management, maintenance and operation of a fibre optic next generation network (NGN) in the main urban centres. This project, which will imply the creation of a joint-venture, was established with the purpose of obtaining synergies and efficiency gains, being totally in line with what Sonaecom has been long defending in terms of shared networks. In one of the most competitive sectors of the Portuguese economy and in an area as important as NGNs, this move is especially significant as it improves the economic rationale for the investment, with clear benefits to customers and to the development of the Information Society in Portugal.

4.2.2. Financial data

Million euros

WIRELINE INCOME STATEMENT	4Q08	4Q09	D 09/08	3Q09	q.o.q	2008	2009	D 09/08
Turnover	**71,3**	**58,7**	**-17,6%**	**62,2**	**-5,6%**	**291,4**	**245,2**	**-15,9%**
Service Revenues	70,3	58,5	-16,8%	61,8	-5,4%	289,8	243,4	-16,0%
Customer Revenues	39,5	33,6	-14,9%	33,4	0,8%	173,1	138,7	-19,9%
Direct Access Revenues	30,5	25,5	-16,3%	25,3	0,8%	123,7	106,4	-14,0%
Indirect Access Revenues	8,2	6,7	-18,0%	7,0	-3,8%	45,8	28,0	-38,9%
Other	0,8	1,4	70,3%	1,1	31,4%	3,6	4,2	16,6%
Operator Revenues	30,8	24,8	-19,4%	28,4	-12,6%	116,6	104,7	-10,3%
Equipment Sales	1,0	0,3	-73,4%	0,4	-36,3%	1,6	1,8	13,7%
Other Revenues	**3,4**	**2,0**	**-40,4%**	**0,1**	**-**	**4,2**	**2,5**	**-39,7%**
Operating Costs	**66,8**	**56,2**	**-16,0%**	**59,5**	**-5,5%**	**273,4**	**234,2**	**-14,3%**
Personnel Costs	2,7	1,2	-54,8%	0,9	34,1%	9,8	4,8	-50,9%
Direct Servicing Costs(1)	46,9	36,6	-22,0%	40,8	-10,3%	192,1	154,4	-19,6%
Commercial Costs(2)	5,6	5,2	-6,7%	5,1	3,2%	19,3	22,8	18,2%
Other Operating Costs(3)	11,7	13,1	12,7%	12,7	3,7%	52,3	52,3	0,1%
EBITDAP	**7,8**	**4,6**	**-41,6%**	**2,8**	**61,9%**	**22,2**	**13,5**	**-39,2%**
Provisions and Impairment Losses	2,2	2,2	-0,4%	1,1	109,2%	**8,2**	**7,8**	**-5,1%**
EBITDA	**5,6**	**2,3**	**-58,2%**	**1,7**	**32,9%**	**14,0**	**5,7**	**-59,1%**
EBITDA Margin (%)	7,8%	4,0%	-3.8pp	2,8%	1.1pp	4,8%	2,3%	-2.5pp
Operating CAPEX(4)	18,1	18,0	-0,4%	11,7	54,4%	44,5	49,4	11,1%
Operating CAPEX as % of Turnover	25,4%	30,7%	5.3pp	18,8%	11.9pp	15,3%	20,2%	4.9pp
EBITDA - Operating CAPEX	-12,5	-15,7	-25,2%	-9,9	-58,2%	-30,5	-43,7	-43,4%
Total CAPEX	18,1	18,0	-0,4%	11,7	54,4%	45,4	49,4	8,9%

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

5. Software and Systems Information (SSI)

SSI achieved, once again, a good set of operational and financial results, registering significant top line and profitability growth. This evolution continues to be driven by 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).

5.1. Operational data

SSI OPERATIONAL KPI's	4Q08	4Q09	D09/08	3Q09	q.o.q	2008	2009	D09/08
IT Service Revenues/Employee[1] ('000 euros)	32,5	32,2	-1,0%	30,9	4,1%	120,6	125,9	4,4%
Equipment Sales as % Turnover	53,5%	51,5%	-2pp	53,2%	-1.7pp	49,3%	57,6%	8.2pp
Equipment Sales/Employee[2] ('000 euros)	1.319,0	843,4	-36,1%	865,1	-2,5%	4.413,6	4.514,7	2,3%
EBITDA/Employee ('000 euros) [3]	3,3	4,9	48,3%	3,6	36,1%	11,7	16,2	38,7%
Employees	475	522	9,9%	511	2,2%	475	522	9,9%

(1) Excluding employees dedicated to Equipment Sales; (2) Bizdirect; (3) 2008 EBITDA including the EUR 1.4m gain registered in the period, in relation to Tecnológica's purchase process.

IT Service Revenues per employee reached 125.9 thousand euros in 2009, 4.4% above 2008, while equipment sales per employee have increased y.o.y by almost 2.3%. Both indicators clearly demonstrate the continuous efficiency gains achieved by SSI companies. Importantly, efficiency gains are not only seen in terms of productivity but also in terms of profitability as EBITDA per employee reached 16.2 thousand euros, an increase of 38.7% when compared to 2008.
Total headcount at the end of 2009 increased to 522, a 9.9% y.o.y growth, mainly due to the need for additional internal consultants to support the increased level of activity at all subsidiaries and to the growing international footprint of WeDo Technologies.

WeDo Technologies continued to consolidate its global presence and reinforce its leading position in the Telecom Revenue Assurance market, while expanding its product portfolio and enlarging its offer beyond its traditional telecoms customer base. Another sign of the company's international expansion is related to the number of employees placed outside Portugal: 153 in 2009, against 130 in 2008, representing an increase of 17.7%, spread across offices in 12 countries.

Corporate Developments
In 2009, important steps were taken by WeDo Technologies in the evolution towards the Business Assurance concept, taking Revenue Assurance and Fraud to the next level in the Telecom Industry and also targeting Retail, Utilities and Finance industries. WeDo Technologies is leveraging the virtuous circle created by the world leading Business Assurance RAID software platform, Praesidium's consulting services and a reputed delivery services team. Business Assurance RAID version 6.0 was concluded in December and will be publicly presented in February 2010. With this version, the market will get the best out of the pre-existing leading WeDo Technologies' Revenue Assurance software products (RAID and Revenue Office) and an integrated approach to Business Assurance, empowering the different assurance stakeholders inside each company.

Importantly, in December 2009, WeDo Technologies won the COTEC-BPI 2009 Innovation Award, an initiative which annually selects the national SME which stands out in terms of its innovative actions and activity.

Also, in November 2009, the company announced the renewal of its ISO 9001 Quality Certification for the headquarters in Portugal. This certification gives evidence of WeDo Technologies' commitment to quality and customer satisfaction, boosting its corporate image and its ability to succeed in a market which is constantly evolving.

During 2009, Mainroad continued its focus on providing high availability and continuity services to the Portuguese market. The company also began its internationalization and expansion to Spain, with the opening of a new local office in May 2009. In November 2009, Mainroad was recognized as Portuguese Partner of the Year, by Computer Associates, the main company in the world of management software for IT, for its level of excellence in business development and in the execution of CA solutions.

5.2. Financial data

Million euros

SSI CONSOLIDATED INCOME STATEMENT	4Q08	4Q09	D 09/08	3Q09	q.o.q	2008	2009	D 09/08
Turnover	**34,48**	**34,33**	**-0,4%**	**33,45**	**2,6%**	**120,13**	**149,91**	**24,8%**
Service Revenues	16,03	16,65	3,9%	15,65	6,4%	60,87	63,63	4,5%
Equipment Sales	18,45	17,68	-4,2%	17,79	-0,7%	59,26	86,28	45,6%
Other Revenues	**0,70**	**-0,08**	**-**	**0,19**	**-**	**2,39**	**0,43**	**-82,1%**
Operating Costs	**33,28**	**31,56**	**-5,2%**	**31,74**	**-0,6%**	**115,27**	**141,83**	**23,0%**
Personnel Costs	6,70	6,93	3,4%	7,21	-3,9%	27,07	28,25	4,3%
Commercial Costs(1)	18,51	17,35	-6,3%	17,63	-1,6%	59,31	85,67	44,4%
Other Operating Costs(2)	8,07	7,28	-9,8%	6,90	5,5%	28,89	27,92	-3,4%
EBITDAP	**1,89**	**2,70**	**42,4%**	**1,90**	**42,2%**	**7,25**	**8,50**	**17,3%**
Provisions and Impairment Losses	0,06	0,07	10,3%	0,02	-	0,13	0,12	-8,5%
EBITDA	**1,83**	**2,62**	**43,5%**	**1,88**	**39,7%**	**7,12**	**8,38**	**17,8%**
EBITDA Margin (%)	5,3%	7,6%	2.3pp	5,6%	2pp	5,9%	5,6%	-0.3pp
Operating CAPEX(3)	0,71	1,37	94,5%	0,36	-	1,79	3,18	77,8%
Operating CAPEX as % of Turnover	2,0%	4,0%	2pp	1,1%	2.9pp	1,5%	2,1%	0.6pp
EBITDA - Operating CAPEX	1,12	1,25	11,5%	1,52	-17,5%	5,33	5,21	-2,3%
Total CAPEX	0,76	1,37	80,7%	0,36	-	-0,55	3,18	-

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

Turnover

SSI Turnover again increased significantly y.o.y and was up 24.8% in 2009 to, approximately, 150 million euros, as a result of both higher IT Equipment Sales, which have grown by 45.6%, to 86.28 million euros, and higher Service Revenues, up by 4.5%. It should, nevertheless, be noted that WeDo Technologies continues to account for the majority (67.5% in 2009) of SSI's Service Revenues.

During 2009, Equipment Sales represented approximately 57.6% of Turnover, an increase of circa 8pp over the level registered in the same period of 2008, driven by a positive contribution from the sale of software licenses and computers at Bizdirect, partly explained by the success of laptop sales under the e-schools programme.

EBITDA

SSI EBITDA was positive 8.38 million euros in 2009, up by 47.1% against last year on a comparable basis, with EBITDA margin improving by 0.9pp to 5.6%, due to the better EBITDA generated by the majority of the companies.

In relation to EBITDA margin, WeDo Technologies achieved a positive 10.4% margin in 2009, an increase of 3.8pp from the 6.6% margin registered in 2008, again, on a comparable basis (excluding the gain related to the final closure of Tecnológica's purchase process).

6. Online and Media

Our Media division was reorganised during 2009 in order to incorporate our other online portals, including the Clix portal and Miau.pt, a leading online auctions portal in Portugal, which, together with Público.pt, are now being managed in an integrated manner. This reorganisation was aimed at extracting all possible synergies between the businesses and at exploiting the increasing potential of our leading online presence.

6.1. Operational data

PÚBLICO OPERATIONAL KPI's	4Q08	4Q09	Δ09/08	3Q09	q.o.q	2008	2009	Δ09/08
Average Paid Circulation(1)	42.608	34.290	-19,5%	36.396	-5,8%	41.374	37.335	-9,8%
Market Share of Advertising (%)	13,2%	12,2%	-1.1pp	11,6%	0.6pp	12,3%	11,7%	-0.6pp
Audience(2) (%)	n.a	n.a	-	n.a.	-	4,3%	4,4%	0.1pp
Employees	256	245	-4,3%	245	0,0%	256	245	-4,3%

(1) Estimated value updated in the following quarter; (2) As % of adressable population; Source: Bareme Imprensa (data not gathered in the 3rd quarter).

Throughout 2009, market dynamics continued to be severe for daily generalist press both in terms of circulation and advertising revenues.
According to latest figures made available by APCT, total paid circulation (9M09 vs 9M08) has decreased by 6.5%, notwithstanding the entry of a new journal ("i"). Público's average paid circulation reached 37.3 thousand newspapers sold in 2009, a decrease of 9.8% when compared to last year.
In what concerns advertising, according to data from Marktest / Media Monitor, 2009 was the worst year since 2002 in terms of total advertisement investment in Portugal. The latest figures indicate that total advertising spend has fallen 13.4% y.o.y, with advertising in daily newspapers declining 9.7%, strongly influenced by the severe reductions suffered by free newspaper. As a reflection of the lower circulation level and despite the increased audience, Público's advertising market share reached 11.7% in 2009, approximately 0.6pp below the level registered in 2008.
Online advertising was the only segment with positive figures, with a record increased of 18%. Advertisers continue to concentrate their budgets in television, being familiar with its power and higher price discounts.

Corporate Developments
Público implemented a number of campaigns during 2009, an initiative aimed at not only sustaining the circulation and advertising figures, but also at improving profitability, including special editions of certain supplements and the luxury Primus and Cronos editions, among others.

Público has also enlarged its presence in the social media, with the creation of several Twitter and Facebook pages, an area where Público is today a clear leader among Media companies.

Importantly, Público won, during 2009, the prestigious D&AD Award in the category of Magazine & Newspaper Design.
During the year, Público has also won some local prizes both on design and journalism categories.

6.2. Financial data

Million euros

ONLINE & MEDIA CONS. INCOME STATEMENT	4Q08	4Q09	Δ09/08	3Q09	q.o.q	2008	2009	Δ09/08
Turnover	**8,07**	**7,92**	**-1,9%**	**7,31**	**8,4%**	**32,44**	**30,40**	**-6,3%**
Advertising Sales(1)	3,40	3,26	-4,2%	3,10	5,2%	13,46	13,19	-2,0%
Newspaper Sales	2,94	3,36	14,5%	3,11	8,0%	12,04	12,42	3,2%
Associated Product Sales	1,73	1,30	-25,1%	1,10	18,3%	6,94	4,79	-30,9%
Other Revenues	**0,34**	**0,14**	**-60,5%**	**0,05**	**180,6%**	**0,60**	**0,29**	**-52,4%**
Operating Costs	**8,81**	**8,48**	**-3,7%**	**7,90**	**7,3%**	**36,08**	**33,14**	**-8,1%**
Personnel Costs	2,59	2,90	12,0%	2,80	3,4%	11,28	11,89	5,3%
Commercial Costs(2)	3,24	2,86	-11,8%	2,41	18,7%	12,60	10,35	-17,9%
Other Operating Costs(3)	2,98	2,73	-8,5%	2,69	1,3%	12,19	10,90	-10,6%
EBITDAP	**-0,40**	**-0,43**	**-8,4%**	**-0,55**	**21,5%**	**-3,04**	**-2,45**	**19,4%**
Provisions and Impairment Losses	0,05	-0,06	-	0,07	-	0,18	0,21	14,8%
EBITDA	**-0,45**	**-0,37**	**18,5%**	**-0,62**	**40,9%**	**-3,22**	**-2,66**	**17,4%**
EBITDA Margin (%)	-5,6%	-4,6%	0.9pp	-8,5%	3.9pp	-9,9%	-8,7%	1.2pp
Operating CAPEX(4)	0,03	0,22	-	0,24	-9,7%	0,84	0,79	-5,2%
Operating CAPEX as % of Turnover	0,3%	2,8%	2.4pp	3,3%	-0.6pp	2,6%	2,6%	0pp
EBITDA - Operating CAPEX	-0,48	-0,59	-23,1%	-0,86	32,1%	-4,06	-3,45	14,9%
Total CAPEX	0,03	0,22	-	0,24	-9,7%	0,84	0,79	-5,2%

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

Turnover

During 2009, the Online and Media Turnover decreased by 6.3% to 30.40 million euros, as a reflection of the following trends in its revenue lines: (i) a slightly negative evolution in Advertising Sales (2.0% below 2008), driven by the negative market trends; and (ii) a 30.9% reduction in Associated Product Sales, partly driven by the different mix of associated products offered in the period. Importantly, in terms of quarterly evolution, positive improvements were achieved in 4Q09, when compared to the previous quarter, at both the level of Advertising Sales, which has grown by 5.2% and at the level of Associated Product Sales (18.3% above 3Q09). It's significant to add that the level of Newspaper Sales has grown, not only when compared to the previous quarter but also when compared to 2008.

It should be noted that 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 2009, our Online and Media business generated a negative EBITDA of 2.66 million euros, which nevertheless represents a 17.4% improvement over 2008, as the negative trend at the top line level was more than compensated by savings achieved in most of its cost lines, including a 17.9% reduction in Commercial Costs and a 10.6% reduction in Other Operating Costs. This performance in terms of costs was achieved notwithstanding the 5.3% increase in Personnel Costs, driven by both the enlarged perimeter of this unit and the ongoing restructuring process that is being implemented since the 3Q09.

As indicated before, Público will continue to explore brand extension opportunities, expand the newspaper's online presence, seeking to extract complementarities between the online and paper versions, and rationalise costs wherever possible.

7. Main Regulatory Developments in 4Q09

The following are some of the more relevant regulatory developments during 4Q09:

Regulatory Fees

In the 4Q09, ANACOM approved the percentage that determines the amount due by network suppliers and electronic communications service providers as the "Regulatory activity fee for 2009". This percentage has been fixed at 0.005826%.

The regulatory activity fee should be paid annually by operators and service providers on the basis of its relevant income related with the business of providing communications services. The percentage applicable to the relevant income shall be reviewed annually by the regulator, in accordance with the relevant total income of the sector and the administrative costs of the regulatory activity, considering that this "Regulatory activity fee" intends to cover the whole costs of ANACOM with its regulatory activity. The fee related to 2009 was already paid.

Additionally, operators paid spectrum fees and numbering fees to the regulator. These fees are also payable annually.

New Regulatory Framework

In December 2009, the EU Directives which lay down the new regulatory framework for the electronic communications sector was published and became effective.

Generically, the changes introduced aimed a greater harmonization of measures to be applied within the EU countries. In this context, it should be highlighted the creation of the Body of European Regulators for Electronic Communications ("BEREC") which is going to be directly involved in the regulation at EU level, through the strengthening of the cooperation between national regulatory authorities and the European Commission.

The powers for intervention of the Commission have also been strengthened. For example, the possibility for the Commission to propose recommendations or decisions in order to implement a harmonized regulatory framework within the EU was now introduced. However, unlike in the initial draft proposal, the Commission was not granted the right to veto national regulatory authorities' proposed remedies.

The new EU regulatory framework should be transposed into national law within 18 months, i.e., until 25 May 2011.

8. Main Corporate Events in 4Q09

- On 20 October 2009, Sonaecom received a notice from EDP – Energias de Portugal, S.A., informing that, in line with its previously disclosed strategy, (i) OPTEP, SGPS, S.A., a company fully owned by EDP, had sold, as of that date, 26,979,748 shares representing 7.4% of the share capital and voting rights of Sonaecom, SGPS, S.A. and (ii) as a consequence thereof, EDP no longer held any shares in the share capital of Sonaecom.

- On 23 October 2009, Sonaecom received a notice from Pensõesgere – Sociedade Gestora de Fundos de Pensões S.A., informing that it was the owner of 12,400,000 shares, representing 3.386% of the share capital of Sonaecom. On that same day, Sonaecom also received a notice from Banco Comercial Português S.A. (BCP), in which, as required by Article 16 of the Portuguese Securities Code, it stated that the 12,400,000 shares mentioned above were attributable to BCP. It further informed that a total of 12,500,998 shares, corresponding to 3.413% of the total share capital and voting rights of Sonaecom, were attributable to BCP as of that date.

- On 10 December 2009, Luís Filipe Reis resigned as member of the Board of Directors to take on another responsibility. Sonaecom further informed that the Board of Directors has approved the new organisation model proposed by the Executive Committee, following an analysis carried out with the objective of granting a greater degree of autonomy to the different business areas and, consequently, allowing for an improved execution of Sonaecom's strategy. As a result, the telecommunication activities of the company became under the responsibility of a dedicated management team, headed by Miguel Almeida, who has also assumed the role of Sonaecom's Deputy CEO. Similarly, the software and systems information became under the direct responsibility of Cláudia Azevedo, who also maintained her role in the Media area.

- On 21 December 2009, Sonaecom reached an agreement with Vodafone Portugal, regarding mutual cooperation in the construction, management, maintenance and operation of a FTTH next generation network. This project, which implies the creation of a joint-venture, was established with the purpose of obtaining synergies and efficiency gains.

- From 18 December 2009 to 31 December 2009, Sonaecom acquired, through the Euronext Lisbon Stock Exchange, 614,000 own shares, pursuant to the authorisations granted by shareholders at Sonaecom's Shareholders General Meetings held during 2009. Following the purchases mentioned above, Sonaecom SGPS, S.A. was the holder, as of 31 December 2009, of 7,169,574 own shares, representing approximately 1.96% of its share capital.

9. Subsequent Events

On 6 January 2010, Sonaecom received a notice from "Santander Asset Management – Sociedade Gestora de Fundos de Investimento Mobiliários, S.A.", informing that funds managed by it held, since 20 October 2009, a total of 7,408,788 shares, representing 2.023% of the share capital and voting rights of Sonaecom.

On 20 January 2010, following the decision to concentrate all the group's telecommunications businesses in one single brand, Optimus became the only Sonaecom brand for the Telecommunications sector, by integrating the Wireline Residential activities under the brand Optimus Clix, relying on a fully convergent network and a set of unique and integrated processes and systems.

On 20 January, ANACOM published a draft decision regarding the wholesale market for voice call termination on individual mobile networks (market 7). This decision includes the market definition, an assessment of significant market power and the review of the obligations imposed, in which price control is included.
Regarding price control, the new glide-path proposed by the Portuguese regulator presents a price reduction (on quarterly basis), which starts on 1 February 2010 and reaches €0.035 by 1 April 2011. The total reduction, considering the price prevailing as at 31 December 2009 (€0.065), corresponds to 46%. ANACOM maintained symmetrical prices between the 3 operators. The proposed glide-path is as follows:

	TMN and Vodafone	Optimus
As of 31 December 2009	0,065	0,065
01 February 2010	0,060	0,060
01 April 2010	0,055	0,055
01 July 2010	0,050	0,050
01 October 2010	0,045	0,045
01 January 2011	0,040	0,040
01 April 2011	0,035	0,035

On 3 February 2010, Sonaecom completed a 3-year bond issue, by private placement, in the total amount of Euros 30,000,000.00 (thirty million euros), an issue arranged by Banco Espírito Santo de Investimento. The bonds are unsecured, with a bullet repayment in February 2013 and a request will be made for its listing in the Euronext Lisbon exchange.

On 6 February 2010, the Portuguese Government announced the results of the public tender process for the deployment of NGN's in Portugal's more sparsely populated areas. DST, the construction company that has partnered with Sonaecom in this process, won the tender in the North and in Alentejo and Algarve, regions which cover up to 750 thousand residents.

In the beginning of January 2010, of the net outstanding debt amount as of 31 December 2009 of 16.6 million euros, the "Fundação para a Sociedade de Informação" has paid a net amount of 10.7 million euros, thus reducing the outstanding debt amount to, approximately, 5.9 million euros. This payment has closed all the pending obligations between Sonaecom and "Fundação para a Sociedade de Informação" as of September 2009.

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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Report available in Sonaecom's institutional website
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