

Sonaecom - SGPS, SA  
Rua Henrique Pousão 432 7º Piso  
4460-841 Senhora da Hora  
Portugal

Telefone (+351) 93 100 20 00  
Fax (+351) 93 100 22 34  
[www.sonae.com](http://www.sonae.com)



## ANNOUNCEMENT

*The following document is a translation of the original Sonaecom announcement to the market, in Portuguese, dated 23<sup>rd</sup> April 2004. In the event of any query or discrepancy, the original Portuguese version prevails.*

### Novis reinforces its leadership position in the Portuguese business market

## **Novis reaches an agreement to acquire KPNQwest Portugal**

Lisbon, 23rd April 2004 - Novis, 56,7% owned by Sonaecom and 43,3% by France Telecom, announced today that it has entered into a definitive agreement to acquire KPNQwest Portugal, reinforcing its leadership position in the Portuguese business market.

**Luis Reis, Executive Director of Sonaecom responsible for the Fixed Line Internet, and Multimedia businesses, expressed his satisfaction with the agreement, stating that *“it represents an excellent strategic fit with Novis’ current operations and strengthens our position in the business market for data and Internet services given the good customer portfolio, quality of products and extensive and recognised experience of the KPNQwest team in this market segment. In addition, through this acquisition, Sonaecom has made a significant move towards consolidation of the Telecommunications sector in Portugal.”***

KPNQwest Portugal’s business is mainly focused on Internet and hosting services for the business and wholesale market based on a rented infrastructure and as such its traffic may be rapidly migrated on to the Novis network. Novis will be in a position to accelerate the pace of local loop unbundling, driven by the migration of KPNQwest Portugal’s business customers to direct access links.

**David Antunes, CEO of KPNQwest Portugal, stated that *“we are very happy with this agreement as it is clearly an opportunity to further improve our competitiveness in broadband offerings, based on the most modern and powerful fixed and mobile infrastructure available in our market and thus expand our customer offer with a complete portfolio of telecommunications services. In addition, this represents an excellent opportunity for our team to achieve further career development through integration in the leading alternative telecommunications company in Portugal.”***

### Details and Rationale of the transaction

Under the agreement signed, the maximum consideration to be paid by Novis in cash is 11,5m euros. The acquisition not only strengthens Novis’ competitive position in its

strategic markets, but also generates significant OPEX synergies, namely the network and G&A costs. The financial impact of the acquisition on Novis will be positive, as it will be EBITDA, Net Income and Cash Flow enhancing.

### **KPNQwest Portugal**

KPNQwest Portugal is focused on provision of Internet access to Corporate and SME customers. It has a solid portfolio of wholesale, dial-up, ADSL and high revenue, dedicated access customers. The company has a very light structure, with 42 employees and no owned network infrastructure. KPNQwest Portugal's human resources will be fully incorporated in the combined organizational structure. David Antunes, current CEO of KPNQwest Portugal, will remain as a key member of the Novis management team.

In 2003, KPNQwest Portugal generated 12,7 million euros of Revenues, EBITDA of 2,7 million euros, Net Income of circa 1,5 million euros and Operational Cash Flow (EBITDA – Capex) of circa 2,5 million euros. As of 31 March 2004, KPNQwest had no debt and cash or equivalents of 1,7 million euros.

### **Novis**

Novis is a leading alternative Voice, Internet and Data fixed communications operator in Portugal, and the largest in terms of customers. With just under 200 employees at the end of 2003, Novis has a 12% and 11% share of the total market for SoHo and SME customers respectively, these being its strategic business focus. In addition, Novis has achieved leadership of the residential market amongst alternative operators with a market share of 6% and 209 thousand active customers at the end of 2003. Novis has its own nationwide fibre optic, transmission and IP infrastructure.

In 2003, Novis generated Revenues of 153 million euros and became EBITDA positive in the last quarter of the year.

### **Sonaecom**

Sonaecom actively manages and controls a portfolio of companies comprising 4 main business divisions: Mobile, Fixed, Media & Internet and Software & Systems Integration. In 2003, Sonaecom generated 838 million euros in Turnover, 146 million euros of EBITDA (a margin of 17%), 35 million euros of FCF and at the end of the year employed 2.332 people.

Sonae SGPS owns 83% of Sonaecom's share capital and the remaining 17% represents public float, which is traded on Euronext. Sonae SGPS is the largest private, non-financial Group in Portugal with a diversified portfolio of businesses. In addition to its operations in Telecoms, Sonae SGPS is the leading retailer and Shopping Centre Developer and Manager in the Portuguese market. Sonae SGPS is also the second largest producer worldwide of wood panelling.

France Telecom is a key shareholder at Optimus (20%), Novis (43%), Mainroad (43%) and Clix (43%) and provides support in areas such as technical developments, network roll-out and handset provisioning. FT directors sit on the Boards of Optimus, Novis and Clix.

For further information please contact the  
Investor Relations Department at Sonaecom:  
00 351 93 100 2270 / [investor.relations@sonae.com](mailto:investor.relations@sonae.com)