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ANNOUNCEMENT

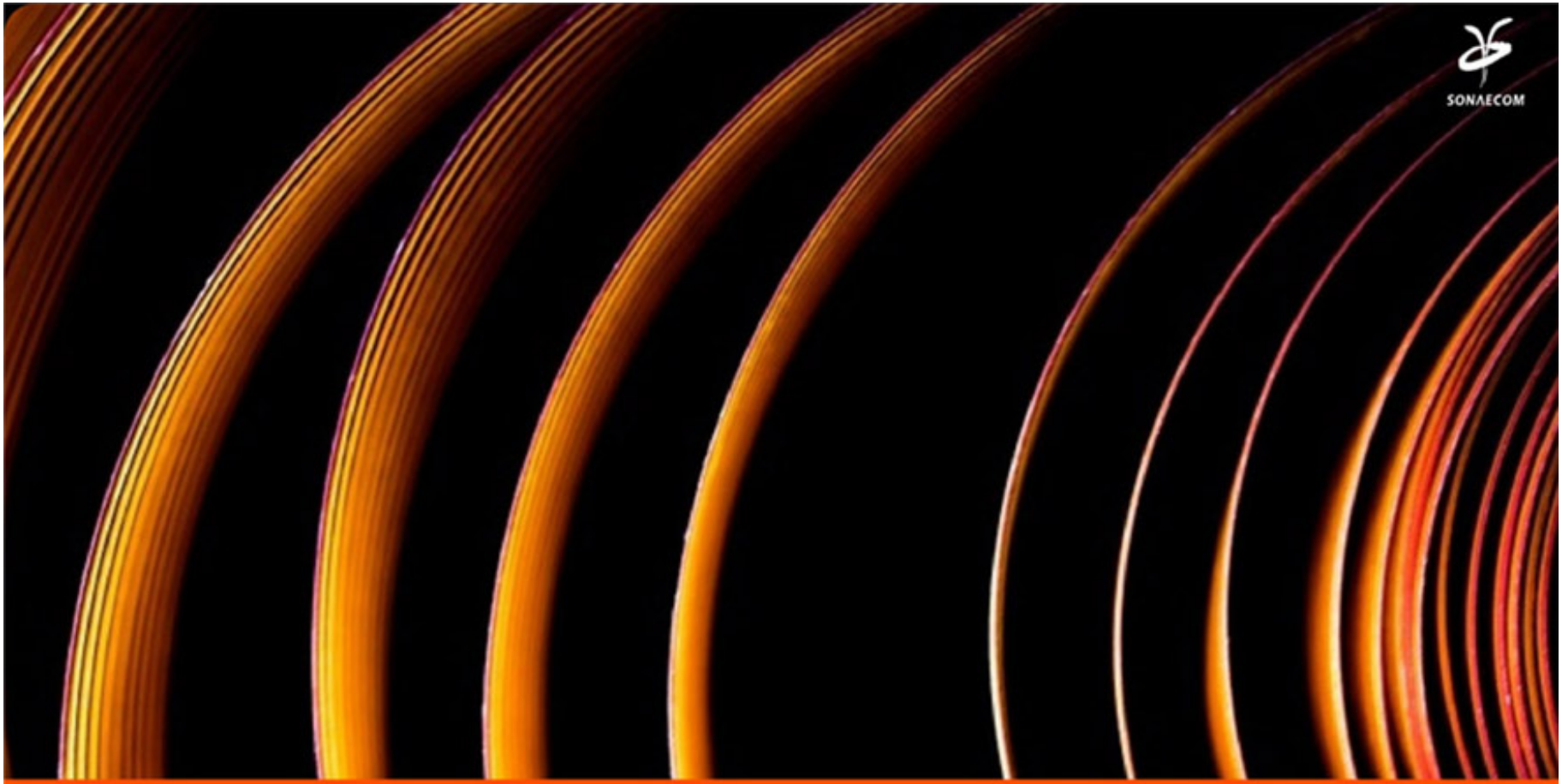
Sonaecom SGPS, S.A. hereby makes public the document attached, called "Sonaecom anticipates the future", which aims at disclosing its position concerning the Next Generation Networks as well as its strategic objective regarding this issue, notably the investment plan associated with it.

The corresponding press release is also made public hereby.

Maia, 20 February 2008.

On behalf of the Board of Directors,

SONAECOM
NEXT GENERATION NETWORKS
SONAECOM ANTICIPATES THE FUTURE
20FEB2008



1. **STRATEGIC OBJECTIVE**
2. NEXT GENERATION NETWORKS
3. NATURAL EVOLUTION FOR SONAECOM
4. AN AMBITIOUS INVESTMENT PLAN
5. AN OPEN NETWORK THAT PROMOTES COMPETITION

1. STRATEGIC OBJECTIVE

- To build the most advanced Telecommunications Network operating in Portugal, at the level of the best networks in Europe and in the World
- To lead the high-speed convergent services market, through the following:
  - Next Generation Network
  - Voice, data and media convergence in the corporate and residential markets
  - Offer of “cutting edge” services
- To decisively increase competitiveness within the Telecommunications sector in Portugal
  - Allowing for in dependence from the incumbent operator infrastructure
  - Allowing access to the new network by all operators under reasonable economic conditions
- To provide a significant contribution to an accelerated development of the Information Society in Portugal

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WHAT ARE NEXT GENERATION NETWORKS?

A Next Generation Network is a network capable of delivering telecommunication services through several high-speed transport technologies, ensuring a differentiating Quality of Service (QoS), in which services are independent of the transport technology.

The underlying principles of Next Generation Networks are the following:

- One single network
- Multiplicity of services (voice, data, video and all types of media)
- All information carried via IP

ADVANTAGES OF NEXT GENERATION NETWORKS:

- An unified network
- Allowing for convergent services
- “Future proof” - most advanced and scalable technology
- Lower costs of operation and Maintenance
- Differentiation of QoS by type of service
- Natural evolution towards VoIP & All-IP
- A network with dynamic resource allocation

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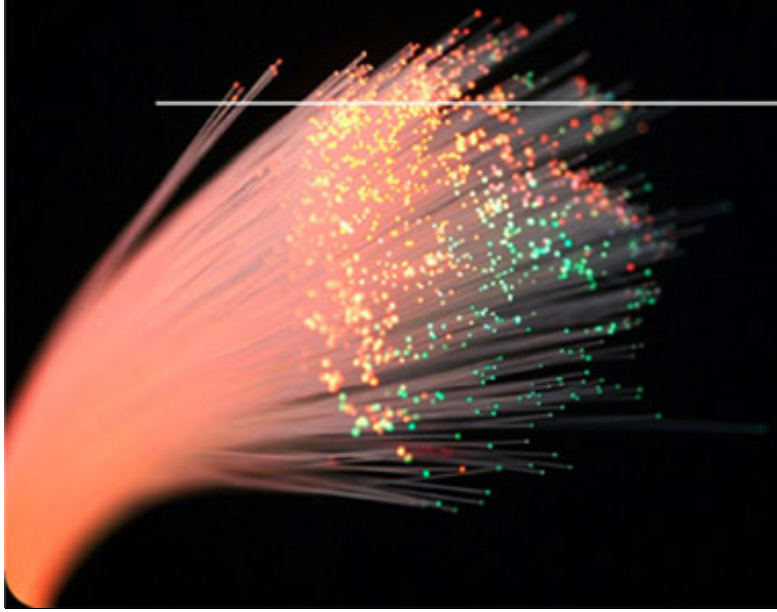
WHAT DO NEXT GENERATION NETWORKS OFFER AND WHAT ARE THE BENEFITS FOR CUSTOMERS

BENEFITS NGN OPERATORS

- Increased customer loyalty
- Additional revenue streams
- OPEX reduction

BENEFITS CUSTOMERS

- Increased service variety
- Personalised services for each individual
- Services with increasingly demanding speeds and with lower cost for services with equivalent speeds



BENEFITS INFORMATION SOCIETY

It is widely recognised that the development of telecommunications networks is associated with improved social welfare and economic conditions in a given region.

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Unlimited bandwidth

New TV era
- Personal Video Recorder
- High Definition TV
- Time shifted TV
- Home video

Fun
- User generated contents
- Gaming
- Picture
- Music

Communication
- Video
- Voice
- Text

ALLOWING FOR...

- Accessing the Internet at the speed of light, file sharing with instant download and upload
- Deciding what and when you want to see on your TV
- Home video, video rental without leaving the home, with all the functionalities of a DVD player
- Real time, high-definition online gaming
- Sharing high-definition pictures and films
- ...

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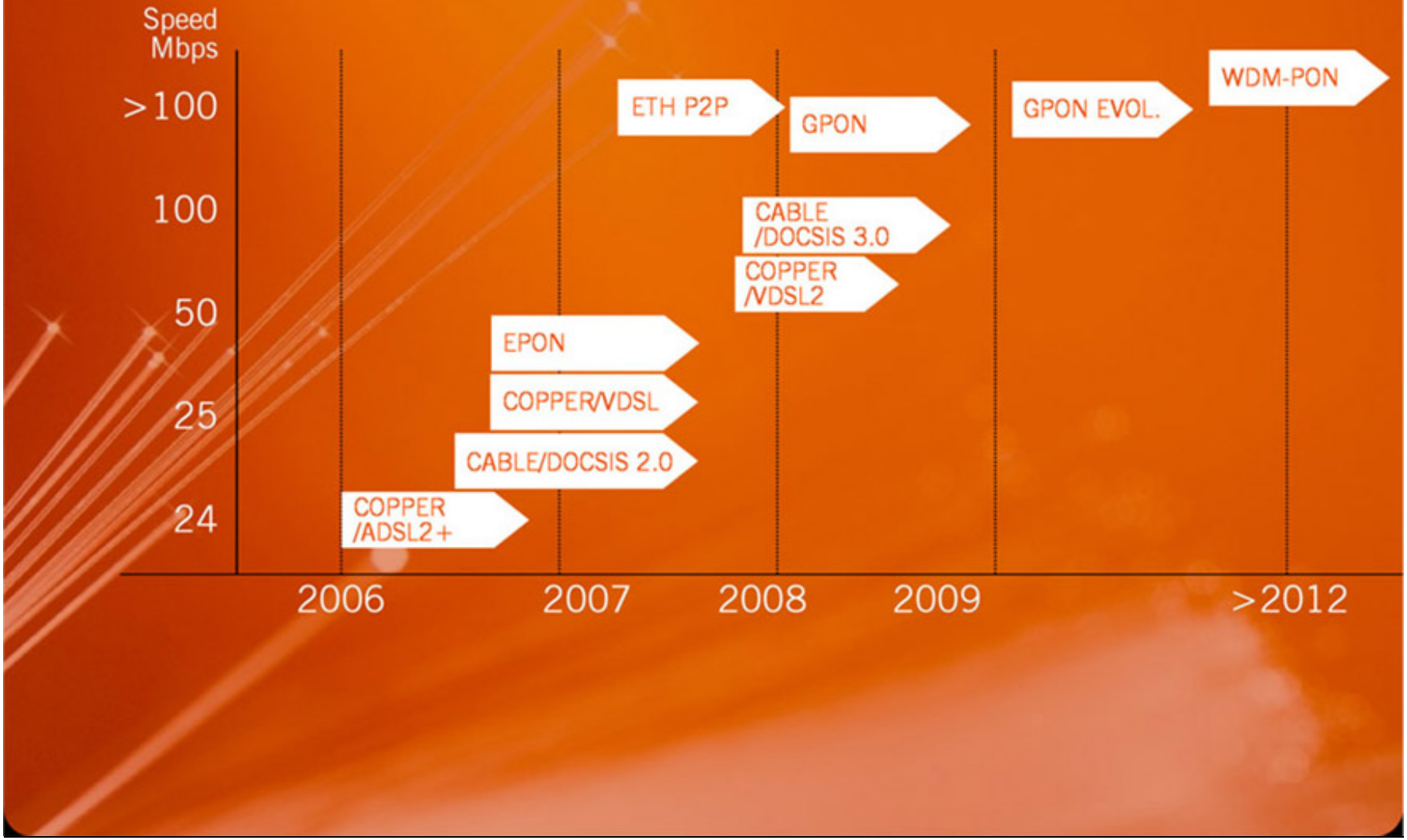
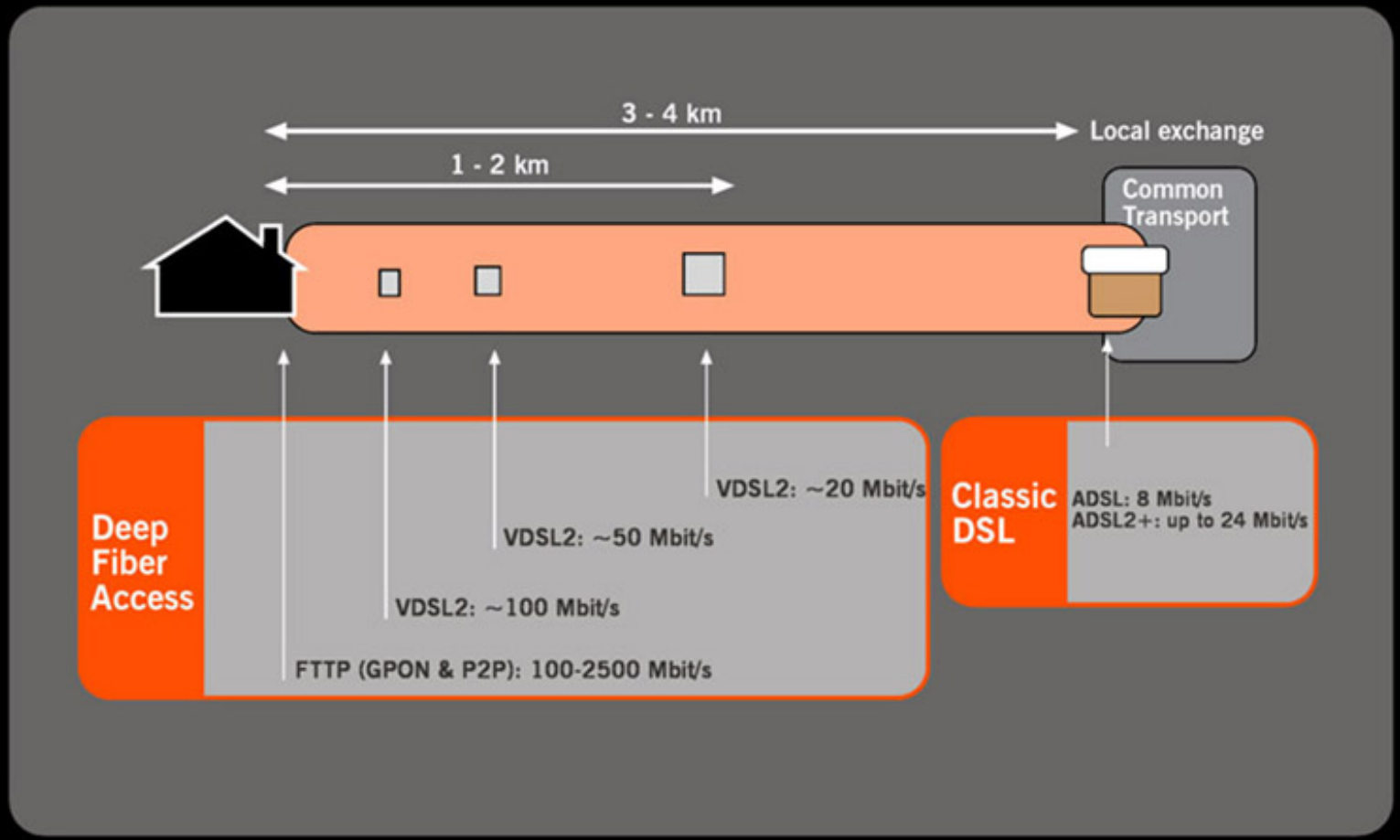
TECHNOLOGIC ROADMAP



GPON IS SUPERIOR TO ALL ALTERNATIVE TECHNOLOGIES



2. NEXT GENERATION NETWORKS

FIBRE DEPLOYMENTS ALREADY IN COURSE

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Country	Average Speed for the Subscriber	Fiber Subscriptions
1st - Japan	94 Mbps	36%
2nd - Korea	44 Mbps	31%
3rd - France	43 Mbps	Not announced (1)
4th - Sweden	21 Mbps	16%

Source: OCDE, Oct 2007

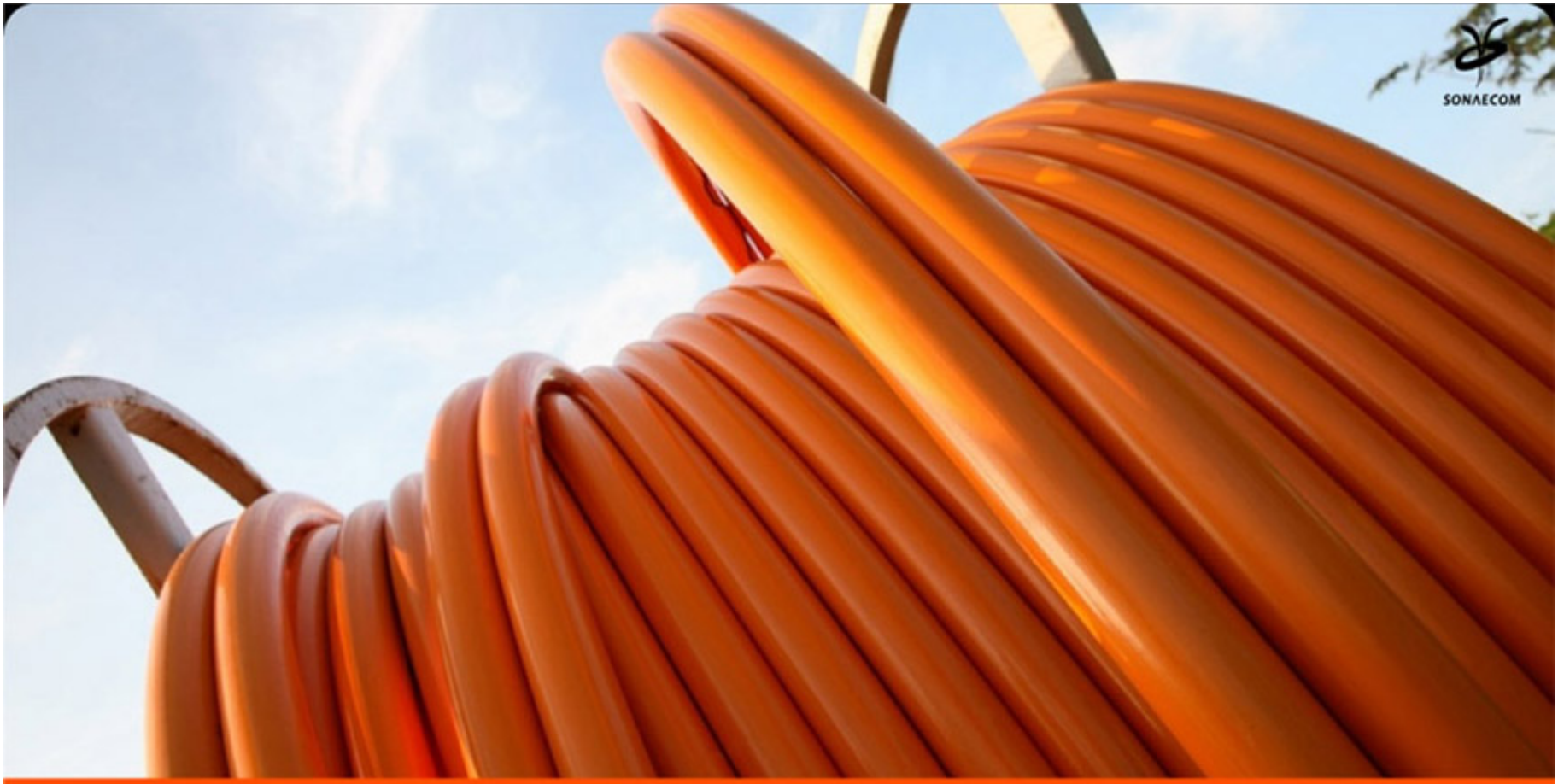
(1) Investment in cooperation between France Telecom/Neuf/Iliad already announced

2. NEXT GENERATION NETWORKS

FTTx PLANS ALREADY ANNOUNCED BY SEVERAL EUROPEAN OPERATORS

Country	Operator	Technology	CAPEX	Year	Target
Belgium	Belgacom	FTTC/VDSL	€330 M	2004-2006	NA
Germany	Deutsche Telekom	FTTC/VDSL	€2,200 M €3,000 M	2006-2008 2008-2011/13	10 M lines 50% homes
Germany	NetCologne	FTTB	€110 M	2008-2013	Cologne Region
Switzerland	Swisscom	FTTC/VDSL	€373 M	2006-2008	1.5 lines
Spain	Telefonica	FTTH	€900 M	2006-2009	NA
France	Iliad	FTTH	€1,000 M	2006-2012	4 M homes 1M customers
France	France Telecom	FTTH	€270 M	2007-2008	1.0 M lines
France	Neuf Cegetel	FTTH	€300 M	2007-2009	1 M houses in Paris 250 K customes
Italy	Telecom Italia	FTTC/VDSL	€150 M	2006-2008	3.3 M lines
Norway	Telenor	FTTx	NA	NA	Aim to reach 40% population coverage
Netherlands	KPN	FTTC/VDSL	€1,000-1,500 M	2008-2013	NA

Source: The Boston Consulting Group



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8 REASONS

1. We are the leading alternative operator in direct Broadband access, with over 15% market share
2. We have the necessary size, shareholder support and financial capacity
3. We have a convergent, mature and prepared organisation
4. We possess the technological know-how, strengthened by concrete field experiences (Lisbon and Porto)

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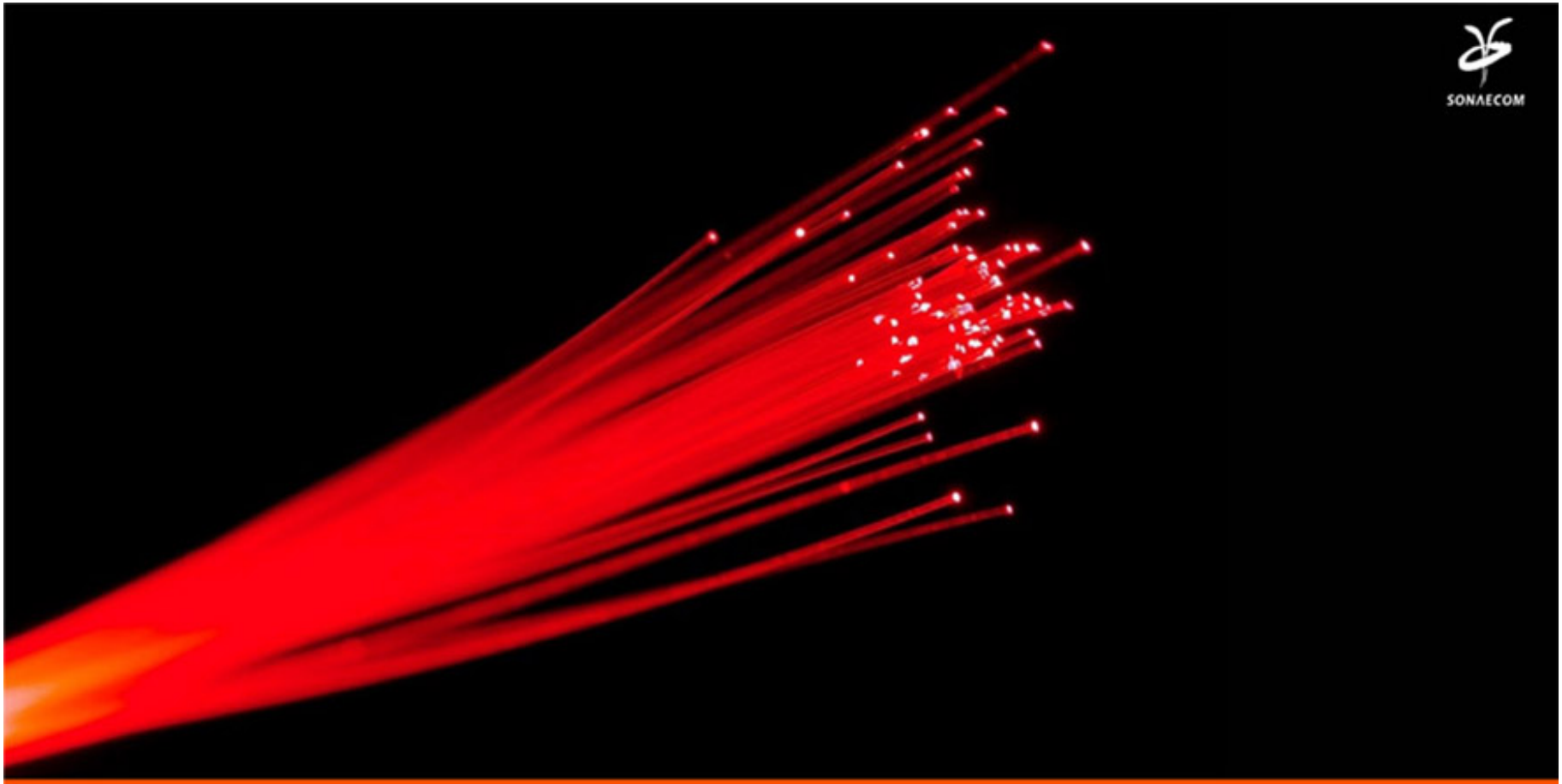
8 REASONS

5. We ensure increased transmission capacity with fibre access to Optimus base stations
6. We choose a future-proof technological option, supported on partnerships established with leading global suppliers (Nokia/Siemens - Huawei)
7. We benefit from our home-networking experience in the deployment of the ULL network
8. We have signed agreements with reputed local network deployment outsourcers (CBE/RedTel)



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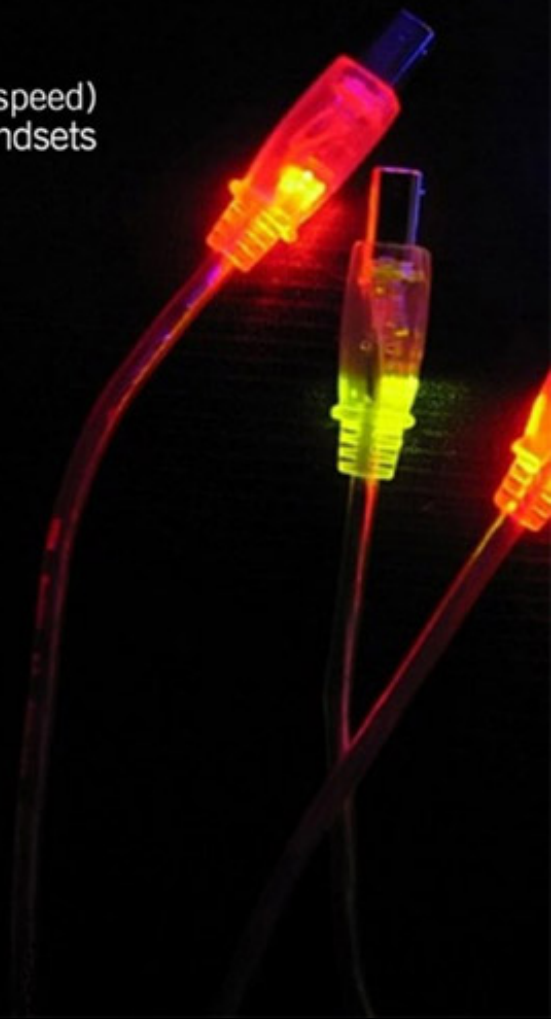
AN **INNOVATIVE** OFFER

RESIDENTIAL
- Voice (VoIP)
- Internet at speeds never seen before (real 100 Mbs Downstream speed)
- TV with new functionalities and service integration with mobile handsets
- ...

SMES/SOHOS
- Video-call, video-surveillance and videoconference
- File sharing of very large volumes of data
- Virtual private networks
- Access to remote servers at high speeds (Storage, Backup, CRM, ERP, etc.)
- Remote security solutions
- ...

CORPORATE
- Much larger capillarity than the one provided by current fibre optic networks to the financial sector, Public Administration (Hospitals, Schools and other public services), retail and others institutions
- ...

WHOLESALE
- Fixed and mobile operators



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AN INVESTMENT OF LARGE SCALE AND REACH

- 240 million Euro investment in 3 years
- 1 million homes passed
- Coverage of more than 25% of the Portuguese population
- Payback: 9 years
- Break-even: year 5

4. AN AMBITIOUS INVESTMENT PLAN

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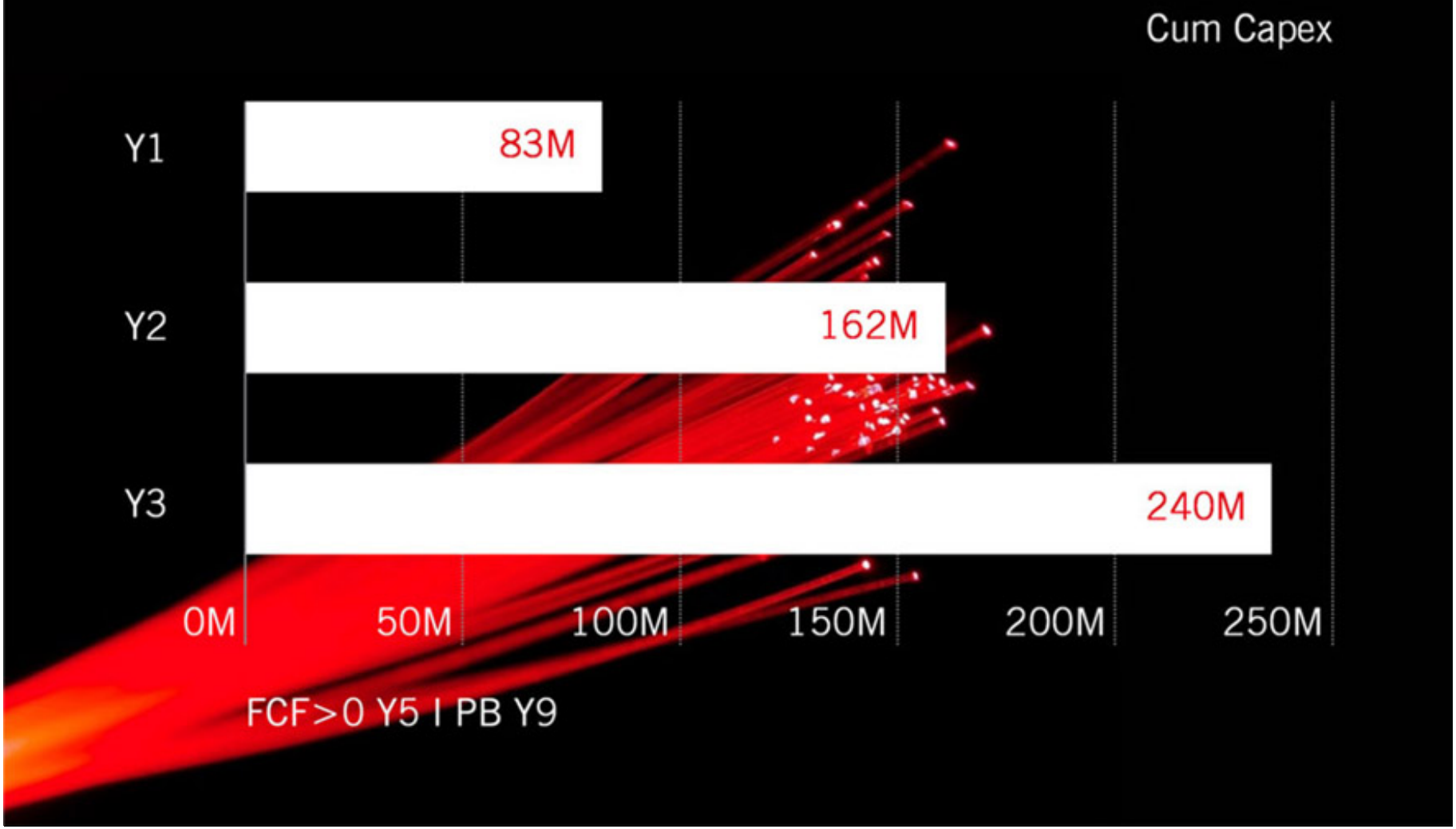
CAPEX EVOLUTION



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1. IN LINE WITH THE BEST EUROPEAN RECOMMENDATIONS AND REGULATORY PRACTICES, AVOIDING INEFFICIENT DUPLICATION OF INVESTMENTS

- Within an FTTh scenario, the barriers identified by European regulators consist of:
  - High costs related to building of ducts
  - Irrational duplication of fibre access network
- Sonaecom assumes the commitment of creating the necessary conditions to mitigate these barriers, adopting the best European practices regarding conditions for investment sharing by different service providers
- Sonaecom follows the ERG (European Regulatory Group) recommendations regarding FTTh network deployments, as well as the European best practices on this matter

2. NON-DISCRIMINATING ACCESS IN EUROPE

The United Kingdom, Italy, Sweden, Poland and Republic of Ireland have opted to implement, negotiate or discuss the open access to networks considering Functional Separation

The Netherlands, Belgium and Spain have opted to apply current regulations to the new reality: regional markets, access to dark fibre, extension of current regulated offers (for ex., the Reference Unbundling Offer)

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3. BASED ON TRANSPARENT ECONOMIC CONCEPTS

- Adequate return on investment, allowing for the dilution of the high fixed costs

  - Investment sharing, allowed by the wholesale offers to be launched, enables smaller operators to compete in a market from which they would be excluded if this type of condition is not implemented

- Ensuring effective economic viability for operators deciding to support their services on Sonaecom's Next Generation Network

  - The various access options available will allow each operator to find a balance between the investment it wishes to make and the type of services it wishes to provide

  - This way, investment is encouraged, as the larger the investment and risk sharing levels assumed by operators opting for the Sonaecom network are, the more extensive their service portfolio may become

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Porto, 20 February 2008

SONAECOM INVESTS 240 MILLION EUROS IN NEXT GENERATION NETWORK

Sonaecom is preparing to build the most advanced telecommunications network in Portugal and proposes to give access to all national operators.

- Investment of 240 million euros in a Next Generation Network;
- The most advanced telecommunications network in Portugal and one of the best networks in Europe and the world;
- An open network that promotes competition, following a strategy in line with regulatory recommendations and the best European practices.

Sonaecom will invest 240 million euros in developing a Next Generation Network that will allow coverage of over 1 million homes and approximately 25% of the Portuguese population.

With this investment, Sonaecom will hold the most advanced telecommunications network in Portugal and one of the best in the world, enabling the company to lead the high-speed convergent services market, ensuring voice, data and media convergence for companies and private clients, as well as guaranteeing an offer of cutting edge services, on an international level.

“This is a natural evolution for Sonaecom, since we are the leading alternative operator in direct broadband access, with over 15% market share. Additionally, we have always been at the forefront regarding network investments and innovation, having chosen a future-proof technological option, developed in partnership with leading world suppliers”, affirms Ângelo Paupério, Sonaecom’s CEO.

By assuming the commitment of creating an open network that promotes competition, Sonaecom contributes in a decisive manner to fast development of the Information Society and increased competitiveness within the telecommunications sector in Portugal, ensuring its autonomy relatively to the basic network operator and allowing access to the new network by all operators, under reasonable economic conditions.

In this way, Sonaecom follows regulatory recommendations and the best European practices, eliminating the main barriers to the deployment of an FTTh (Fibre to the Home) network, which are directly associated to the high costs of building ducts and inefficient investment duplication.