Results Announcement

2011

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.

Highlights

- Consolidated turnover reaches 863.6 million euros
- EBITDA rises to 213.0 million euros
- EBITDA-operating Capex of 107.6 million euros (excluding one-off spectrum acquisition)
- Net results group share totals 62.5 million euros
- FCF reaches 58.8 million euros (38.8 million euros including securitisation operation)
- Net debt to EBITDA ratio improves to 1.3x

Ângelo Paupério message, CEO of Sonaecom

2011 was one of the best years of our history, after achieving a set of excellent results that makes us very proud. Besides an unprecedented operating profitability, we have also achieved the highest net results ever.This performance assumes even more importance since it is distinguished from the market's negative behaviour in a particularly difficult macroeconomic context.

I cannot overstate the importance of our team's execution capability, which was guided by a rigorous discipline as it carried out our clearly and consistently outlined strategy, anticipating the challenges we have been facing.

At Optimus, the performance of the mobile business achieved one of the best margins in the universe of third operators in the sector. Supported by market share growth in the mobile and convergent segments, our mobile business has grown in customer revenues, in a market that is clearly contracting.

Factors supporting this growth include the launch of innovative offers under a strong, dynamic brand combined with the rise in customer satisfaction levels. At the same time, under the ongoing operating efficiency plan that spans the entire company, Optimus has been carefully managing its costs and investments.

With the radio spectrum auction, Optimus guaranteed the ideal combination of available spectrum bands, ensuring maximum efficiency and flexibility in terms of network coverage and capacity in the network evolution to 4G, with optimised costs and investments. With this technology, Optimus will be able to consolidate its strong position on mobile data segment.

Our Software and Information Systems (SSI) division grew its service revenues by expanding its international footprint in a context of containment across the markets where it operates. WeDo Technologies also continues 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.

During 2011, Sonaecom strengthened its capital structure amid the sovereign debt crisis. After closing a bond issue in the international markets, during the 3Q11, Sonaecom is now in a comfortable position to meet future challenges.

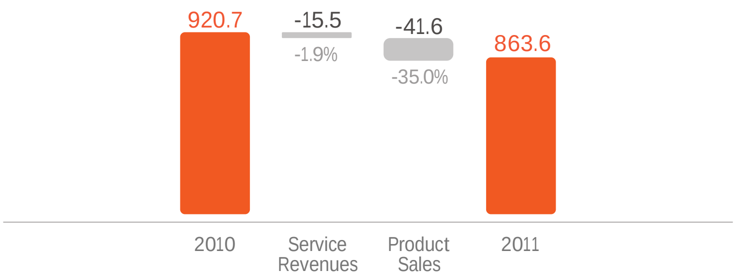
This year will be marked by tough austerity measures and an aggravating consumer contention, putting additional pressure on revenues. However, both through Optimus exploring the escalating value that individuals and businesses attach to the need for communication and by SSI's international growth, we reiterate our confidence in continuing to present results that reinforce our competitive position.

1. Consolidated results

Turnover

Consolidated turnover in 2011 benefited from a 0.8% increase in mobile customer revenues and a 4.7% increase in SSI service revenues, the core areas of Sonaecom.

This line reached 863.6 million euros, 6.2% below 2010, impacted by: wireline revenues, consequence of our strategic option in the residential segment; Optimus operator revenues, as a result of regulated tariffs (MTRs and Roaming in); and product sales. The latter was driven mainly by a decline at Bizdirect sales, impacted by the end of Portuguese Government e- initiatives programme, and also by a reduction at Optimus equipment sales.

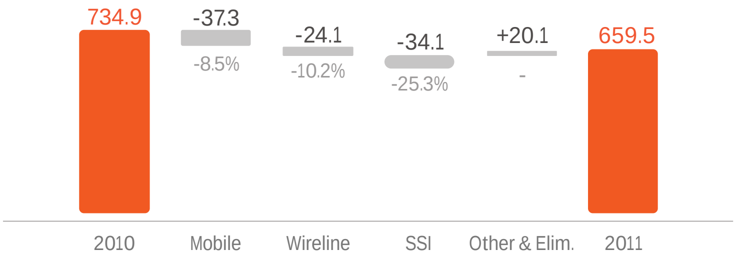


Operating costs

Operating costs decreased 10.3% between 2010 and 2011 to 659.5 million euros.

The optimisation plan carried out over the past few years is helping to create a leaner organisation with Optimus's ongoing efficiency measures delivering positive results across its various business areas.

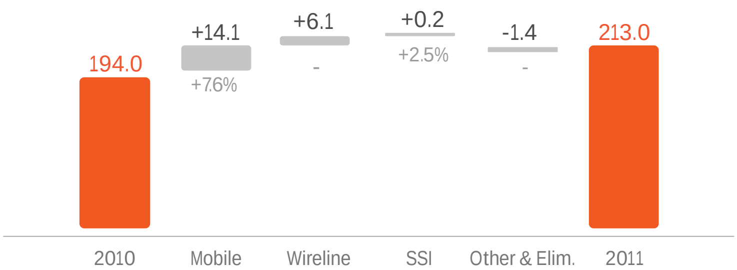
It should be noted that between 2010 and 2011, operating costs as a percentage of turnover, excluding provisions, decreased 4.5pp.



EBITDA

The consolidated EBITDA increased 9.8% to 213.0 million euros, more than offsetting the consolidated top line performance, with all business divisions evolving positively.

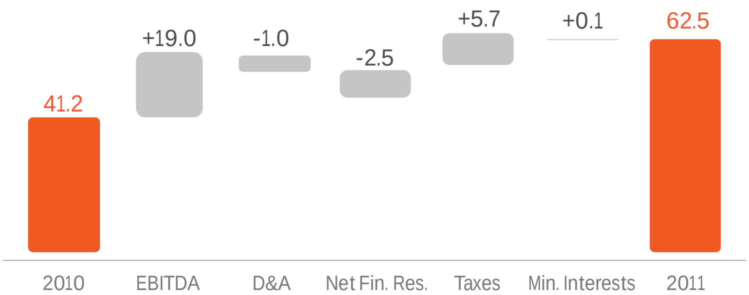
The consolidated EBITDA margin increased from 21.1% to 24.7%. This improvement was due to the positive outcomes of the Optimus efficiency plan plus the positive performance of mobile customer revenues and SSI service revenues. It should be emphasised that the 2011 mobile EBITDA margin stood at 35%, bucking the overall market trend, despite the general environment of austerity.



Net profit

Net results group share reached 62.5 million euros. The two drivers underlying this positive trend were mainly the improved EBITDA performance, but also the recognition of additional deferred tax assets.

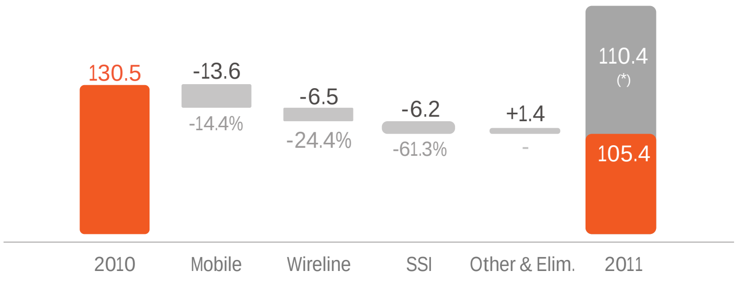
Net financial results decreased 39.6% to a negative 8.9 million euros, due to a higher average cost of debt in 2011, but mainly driven by 2010 capital gain generated with the sale of SSI's participation at Altitude Software.



The tax line in 2011 showed a cost of 11.0 million euros, against a cost of 16.7 million euros in 2010. As already mentioned, this is due to the recognition of additional deferred tax assets, benefiting from an improving performance, notwithstanding the higher EBT level.

Operating capex

Operating Capex, excluding the spectrum one-off effect, reached 105.4 million euros in 2011, 19.2% below 2010. This is the result of an increased focus on capacity given that Optimus already has wide network coverage. During 2011, Optimus continued to develop projects and solutions enabling it to reduce mobile backhaul costs while decreasing dependency on third parties infrastructure.



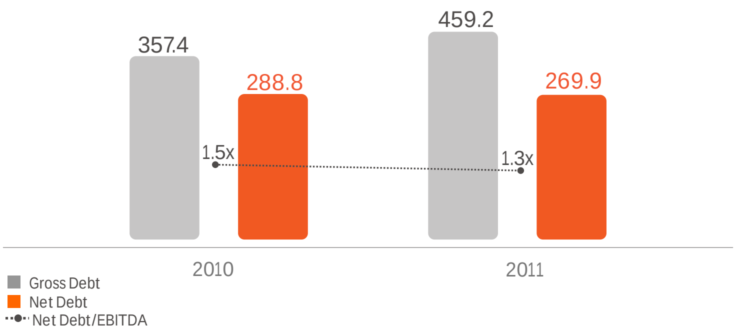
(*) NPV of spectrum investment

In November 2011, following the spectrum auction in Portugal, Sonaecom acquired spectrum for 113 million euros (corresponding to a net present value of 110.4 million euros).

As a result of our revenues and Capex performance, operating Capex as a percentage of turnover decreased from 14.2% to 12.2%, excluding the spectrum acquisition, while EBITDA-operating Capex grew to 107.6 million euros, increasing almost 70% compared to 2010.

Capital structure

Consolidated net debt reached 269.9 million euros, decreasing 6.6% against 2010. Driven by an improved EBITDA performance and a lower net debt level, the net debt to EBITDA ratio improved to 1.3x in 2011 from 1.5x in 2010.



Total credit facilities now amount to 544 million euros, including the additional 100 million euros bonds issue. Closed during 3Q11 with three international banks, this issue ensured a higher diversification of financing sources and an increase in the average debt maturity.

During 2011, the all-in average cost of debt reached 3.0%.

Free cash flow (FCF)

FCF stood at 58.8 million euros in 2011, excluding the 20 million euros securitisation cash outflow, fuelled by an increasingly strong EBITDA-operating Capex performance. Including the securitisation operation, consolidated FCF reached 38.8 million euros, almost four times the 10.6 million euros generated in 2010.

Following the spectrum auction, Sonaecom had payment obligations amounting to 113 million euros: 83 million euros plus 6 million euros per year over a period of five years. It should be noted that the first 83 million euros were already paid during January 2012, and therefore did not impact the 2011 FCF.

2. Optimus

- Optimus EBITDA is 209.2 million euros, up 10.7% compared to 2010
- Mobile subscriber base reaches 3.64 million customers, up by 1.0% y.o.y.
- Optimus mobile EBITDA margin is 35.0% in 2011, up 3.7pp y.o.y.
- Mobile customer revenues grow to 470.4 million euros, up 0.8% y.o.y.
- Data revenues increase to 32.5% of mobile service revenues in 2011, up 1.8pp y.o.y.

Upholding Optimus leading-edge network with LTE opportunity

The spectrum auction was a key challenge in 2011. Following the auction, Optimus guaranteed a combination of three spectrum bands: 800Mhz, 1800Mhz and 2600Mhz, allowing for maximum flexibility in network deployment while enabling Capex and Opex reduction. Optimus is now prepared to fuel its growth ambition without any technical constraints, continuing to launch competitive and innovative products.

2.1. Optimus mobile business

During 2011, amid a financial crises marked by the government's austerity measures, Optimus was able to reinforce its customer base, which grew 1.0% against 2010. One of the main pillars of this performance is Optimus' innovative position when it comes to exploring emerging opportunities, especially in the mobile broadband space, through its advanced infrastructure and its rich portfolio of mobile broadband and smartphones.

The business's top line performance, along with its ongoing optimisation plan, was the driver of an EBITDA margin of around 35%, one of the best in the sector in the universe of third operators in the sector.

2.1.1. Operational data

MOBILE OPERATIONAL KPI's	4Q10	4Q11	Δ 11/10	3Q11	q.o.q.	2010	2011	Δ 11/10
Customers (EOP) ('000)	3,604.1	3,639.4	1.0%	3,638.6	0.0%	3,604.1	3,639.4	1.0%
Net Additions ('000)	63.0	0.8	-98.8%	52.2	-98.5%	171.5	35.3	-79.4%
Data as % Service Revenues	32.4%	32.8%	0.4pp	33.0%	-0.3pp	30.6%	32.5%	1.8pp
Total #SMS/month/user	47.7	44.0	-7.8%	42.2	4.3%	47.7	42.8	-10.2%
MOU(1) (min.)	133.5	126.1	-5.6%	125.9	0.1%	133.9	126.1	-5.8%
ARPU(2) (euros)	13.3	12.5	-5.9%	13.5	-7.2%	13.7	12.9	-5.6%
Customer Monthly Bill	11.3	10.9	-3.6%	11.6	-6.1%	11.4	11.2	-2.1%
Interconnection	2.0	1.6	-19.3%	1.9	-14.0%	2.2	1.7	-23.4%
ARPM(3) (euros)	0.10	0.10	-0.4%	0.11	-7.3%	0.10	0.10	0.2%

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

Customer base

Optimus's mobile customer base grew from 3.60 million to 3.64 million customers. The impact of the Portuguese austerity measures, coupled with the end of the government's e-initiatives programme, impacted across mobile operating KPIs such as churn and minutes of usage (MOU).

However, Optimus was able to achieve a positive level of net adds in the quarter, ending the year with an increase of 1% in the customer base. Our contract customer numbers continued to rise, reaching 33.1% of the total mobile base against 32.9% in 2010.

Mobile customers' ARPU stood at 12.9 euros, decreasing 0.8 euros compared to 2010 on the back of lower interconnection revenues, which decreased from 2.2 euros to 1.7 euros, and lower customer monthly bills, which decreased from 11.4 euros to 11.2 euros. MOUs decreased 5.8% y.o.y. to 126 minutes per month. Nevertheless, it should be noted that this effect has no direct impact on mobile customer revenues, given the importance of packs of minutes and SMSs on Optimus's pre-paid and post-paid offer.

Data services and mobile broadband

Data revenues represented 32.5% of service revenues in 2011, improving 1.8pp compared to 2010, an achievement fuelled by the increased usage of mobile devices, especially dongles. Meanwhile, smartphone penetration still represents an important growth opportunity. Despite the negative impact that the end of e-initiatives has had on our mobile broadband segment, the weight of non-SMS related data services continued to increase, accounting for approximately 76.0% of total data revenues in 2011 versus 75.1% in 2010.

2.1.2. Financial data

Million euros

MOBILE INCOME STATEMENT	4Q10	4Q11	Δ 11/10	3Q11	q.o.q.	2010	2011	Δ 11/10
Turnover	151.9	140.6	-7.5%	149.8	-6.2%	592.8	570.7	-3.7%
Service Revenues	137.8	131.4	-4.7%	141.7	-7.3%	557.8	542.4	-2.7%
Customer Revenues	117.2	114.5	-2.3%	122.0	-6.2%	466.5	470.4	0.8%
Operator Revenues	20.6	16.9	-18.3%	19.6	-14.1%	91.2	72.0	-21.1%
Equipment Sales	14.1	9.2	-34.7%	8.2	12.6%	35.0	28.3	-19.2%
Other Revenues	9.2	8.0	-12.2%	7.2	12.3%	33.4	32.2	-3.6%
Operating Costs	118.1	104.0	-11.9%	102.9	1.0%	440.7	403.4	-8.5%
Personnel Costs	12.1	12.4	2.3%	12.8	-3.1%	51.7	51.0	-1.2%
Direct Servicing Costs(1)	40.2	28.6	-28.9%	32.3	-11.6%	170.4	130.9	-23.2%
Commercial Costs(2)	36.0	30.9	-14.1%	29.8	3.8%	109.7	106.4	-3.1%
Other Operating Costs(3)	29.7	32.1	7.8%	28.0	14.6%	108.9	115.1	5.7%
EBITDA	43.0	44.6	3.8%	54.1	-17.5%	185.5	199.6	7.6%
EBITDA Margin (%)	28.3%	31.8%	3.4pp	36.1%	-4.3pp	31.3%	35.0%	3.7pp
Operating CAPEX(4) (excl spectrum investment)	32.0	31.1	-3.0%	19.0	63.7%	94.7	81.1	-14.4%
Operating CAPEX as % of Turnover (excl spectrum investment)	21.1%	22.1%	1.0pp	12.7%	9.4pp	16.0%	14.2%	-1.8pp
EBITDA - Operating CAPEX (excl spectrum investment)	11.0	13.6	23.5%	35.1	-61.3%	90.9	118.5	30.4%
Total CAPEX (excl spectrum investment)	40.9	31.1	-24.0%	19.0	63.4%	104.0	81.2	-21.9%
Operating CAPEX(4)	32.0	141.5	-	19.0	-	94.7	191.5	102.3%
Total CAPEX	40.9	141.5	-	19.0	-	104.0	191.6	84.3%

(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, Provisions for sites dismantling and other non operational investments.

Turnover

Mobile customer revenues increased 0.8% between 2010 and 2011 to 470.4 million euros. Nevertheless, when analysed on a quarterly basis, this indicator showed, as anticipated, a negative evolution. It should be noted that the austerity measures recently implemented in Portugal negatively impacted consumers' Christmas bonuses and, as a result, consumption levels suffered a slowdown.

Mobile turnover decreased 3.7% in 2011 to 570.7 million euros due to a combination of lower operator revenues fully driven by regulated tariffs, MTRs and roaming in as well as lower equipment sales.

Operating costs

As a result of Optimus' operational efficiency plan to create a leaner organisation, mobile operating costs decreased 8.5% y.o.y. to 403.4 million euros, benefiting from a 23.2% decrease in the level of direct servicing costs. This decrease, in turn, was due to a lower level of leased lines and network-related costs as Optimus continues to reduce its dependency on rented infrastructure. It was also due to lower level of interconnection costs driven by smaller mobile termination rates.

The level of commercial costs decreased 3.1% in 2011, due to a lower level of cost of goods sold, as the level of equipment sales has also dropped by 19.2%. Other operating costs increased 5.7% y.o.y. driven by a higher level of provisions, which offsets the reductions achieved by our operational efficiency plan in outsourcing costs across all major areas: customer service, network and IT/IS; and also a lower level of general and administrative expenses. Between 2010 and 2011, mobile provisions increased from a low level of 4.8 million euros, already explained in previous reports, to 19.5 million euros.

EBITDA

Mobile EBITDA increased 7.6% y.o.y. to 199.6 million euros driven by a 0.8% increase in mobile customer revenues and, mostly, by an 8.5% decrease in the level of operating costs.

The EBITDA margin reached 35.0% in 2011 against 31.3% in 2010, an increase of 3.7pp.

Mobile EBITDA-operating Capex continued its very positive trend. Excluding the effect of the spectrum acquisition, EBITDA-operating Capex grew from 90.9 million euros in 2010 to 118.5 million euros in 2011, up by 30.4% y.o.y..

2.2. Optimus wireline business

In the corporate and SMEs segment, an important strategic part of the wireline business, we continue to achieve growth by capitalising on demand for integrated and convergent solutions. This is Optimus's key focus for delivering maximum value to its customers.

During 2011, several significant changes were introduced to the product portfolio, differentiating Optimus's offer and strengthening its position in the business segment.

2.2.1. Operational data

WIRELINE OPERATIONAL KPI's	4Q10	4Q11	Δ 11/10	3Q11	q.o.q.	2010	2011	Δ 11/10
Total Accesses	417,066	375,826	-9.9%	383,568	-2.0%	417,066	375,826	-9.9%
Direct Accesses	344,631	307,638	-10.7%	313,725	-1.9%	344,631	307,638	-10.7%
Direct Voice	185,294	162,407	-12.4%	166,760	-2.6%	185,294	162,407	-12.4%
Direct Broadband	104,819	74,666	-28.8%	80,821	-7.6%	104,819	74,666	-28.8%
Other Direct Services	54,518	70,565	29.4%	66,144	6.7%	54,518	70,565	29.4%
Indirect Accesses	72,435	68,188	-5.9%	69,843	-2.4%	72,435	68,188	-5.9%
Unbundled COs with transmission	206	206	0.0%	206	0.0%	206	206	0.0%
Unbundled COs with ADSL2+	182	182	0.0%	182	0.0%	182	182	0.0%
Direct access as % Cust. Revenues (1)	79.1%	79.3%	0.3pp	79.3%	0.1pp	78.8%	79.0%	0.1pp
Average Revenue per Access - Retail	24.2	22.8	-6.0%	22.5	1.1%	23.7	23.3	-1.7%

(1) Due to a change in the classification criteria of Other Customer Revenues, the level of Direct Access Revenues was restated between 4Q09 and 3Q10.

Customer base

The Corporate and SMEs segment continued to increase its presence in the market, with the number of accesses increasing from 151 thousand to 158 thousand, growing 4.7% between 2010 and 2011.

However, the number of total accesses decreased 9.9% y.o.y. to 376 thousand accesses, driven entirely by the residential segment. This fall was due to a 10.7% decrease in direct accesses, impacted by the decision to abandon residential customer acquisition through the incumbent's infrastructure, namely through ULL, and a 5.9% reduction in indirect accesses. Nonetheless, it should be emphasised that the downward trend in the total number of accesses has been slowing q.o.q. since early 2009, driven by both the direct and indirect evolution of accesses.

2.2.2. Financial data

Million euros

WIRELINE INCOME STATEMENT	4Q10	4Q11	Δ 11/10	3Q11	q.o.q.	2010	2011	Δ 11/10
Turnover	57.0	56.9	-0.1%	56.6	0.6%	237.6	220.4	-7.3%
Service Revenues	56.5	54.9	-2.9%	55.4	-0.9%	236.8	216.9	-8.4%
Customer Revenues	29.2	24.6	-15.9%	24.7	-0.4%	122.7	103.6	-15.5%
Direct Access Revenues (1)	23.1	19.5	-15.6%	19.6	-0.4%	96.7	81.8	-15.4%
Indirect Access Revenues	5.9	4.9	-17.7%	5.0	-1.4%	25.5	21.2	-16.8%
Other (1)	0.2	0.2	8.7%	0.2	20.9%	0.5	0.6	19.6%
Operator Revenues	27.3	30.3	11.0%	30.7	-1.3%	114.1	113.3	-0.7%
Equipment Sales	0.5	2.0	-	1.2	70.9%	0.8	3.5	-
Other Revenues	0.9	0.3	-63.7%	0.3	21.1%	1.8	1.0	-44.1%
Operating Costs	57.6	55.2	-4.2%	53.6	3.0%	236.0	211.8	-10.2%
Personnel Costs	1.1	0.8	-22.4%	0.6	33.2%	3.9	2.8	-27.0%
Direct Servicing Costs(2)	37.1	39.7	7.0%	40.1	-0.9%	154.9	152.8	-1.3%
Commercial Costs(3)	6.7	6.1	-8.4%	2.7	127.7%	21.2	15.6	-26.7%
Other Operating Costs(4)	12.8	8.6	-32.7%	10.2	-16.0%	56.0	40.6	-27.5%
EBITDA	0.3	2.0	-	3.3	-38.1%	3.5	9.6	175.5%
EBITDA Margin (%)	0.5%	3.5%	3.1pp	5.7%	-2.2pp	1.5%	4.4%	2.9pp
Operating CAPEX(5)	9.5	7.0	-26.0%	2.9	138.2%	26.5	20.0	-24.4%
Operating CAPEX as % of Turnover	16.6%	12.3%	-4.3pp	5.2%	7.1pp	11.1%	9.1%	-2.1pp
EBITDA - Operating CAPEX	-9.2	-5.0	45.8%	0.3	-	-23.0	-10.4	54.7%
Total CAPEX	9.5	7.0	-26.0%	2.9	138.2%	26.5	20.0	-24.4%

(1) Due to a change in the classification criteria of Other Customer Revenues, the levels of Other Customer Revenues and Direct Access Revenues were restated between 4Q09 and 3Q10; (2) Direct Servicing Costs = Interconnection and Content + Leased Lines + Other Network Operating Costs; (3) Commercial Costs = COGS + Mktg & Sales Costs; (4) Other Operating Costs = Outsourcing Services + G&A + Provisions + others; (4) Operating CAPEX excludes Financial Investments, Provisions for sites dismantling and other non operational investments.

Turnover

Wireline turnover decreased 7.3% y.o.y. to 220.4 million euros driven by a reduction of 15.5% in the level of customer revenues to 103.6 million euros; and a reduction of 0.7% in the level of operator revenues to 113.3 million euros. This second trend was primarily driven by a decrease in wholesale traffic prices, almost totally offset by the increased traffic level.

Operating costs

Wireline operating costs decreased 10.2% y.o.y. to 211.8 million euros. Direct servicing costs decreased 1.3% y.o.y., mostly as a result of the reduction in the number of ULL accesses. The increase in direct servicing costs between 4Q10 and 4Q11 is due to the significant 11.0% increase in operator revenues, driven by the wholesale division, which had an effect in higher interconnection costs.

Commercial costs decreased 26.7% due to lower marketing and sales costs following our decision to abandon residential customer acquisition through the incumbent's infrastructure. Personnel costs declined 27.0% y.o.y. as a result of the optimisation of our wireline residential business unit.

The level of other operating costs decreased 27.5%, benefiting from a lower level of provisions, which decreased to 3.6 million euros in 2011 from 10.7 million euros in 2010.

EBITDA

As a result of our revenue and cost performance, the 2011 wireline EBITDA more than doubled, reaching 9.6 million euros. The EBITDA margin increased from 1.5% to 4.4%, growing 2.9pp y.o.y..

During 3Q11, we were able to achieve EBITDA-operating Capex break-even. Although still negative in 4Q11 and 2011, we are and we will continue optimising the profitability of the wireline business. Accordingly, between 2010 and 2011 EBITDA-Capex grew more than 12 million euros.

3. Software and Information Systems (SSI)

Currently, the SSI division comprises four companies: WeDo Technologies, Mainroad, Bizdirect and Saphety.

WeDo Technologies, SSI's largest company in terms of service revenues, continued to deliver positive results. This was only possible due to its very strong focus on the acquisition of new projects, while increasing its international presence and growing the business assurance market. Presently, WeDo Technologies has more than 150 clients in 80 countries. During 2011, its international revenues represented 67.4% of its turnover, growing 5.8% in the last year after reinforcing its position in Africa and Asia.

Mainroad, specialising in IT management, security and business continuity, was able to increase service revenues by 17.5% between 2010 and 2011, despite challenging market conditions.

Bizdirect, affected by the end of the e-initiatives programme, presented a top line decline of more than 40%. However, the company strengthened its position as a leading player in multi-brand IT solutions, supported by partnerships with the market's main manufacturers and by the management of corporate software licensing contracts.

Saphety, following the strategy outlined for 2011, not only strengthened its position as a leading player in solutions for simplifying and automating processes in the domestic market, but also increased its customer base internationally, growing 23.2% y.o.y..

3.1. Operational data

SSI OPERATIONAL KPI's	4Q10	4Q11	Δ 11/10	3Q11	q.o.q.	2010	2011	Δ 11/10
IT Service Revenues/Employee(1) ('000 euros)	35.8	37.4	4.4%	32.7	14.4%	133.8	135.3	1.1%
Equipment Sales as % Turnover	51.9%	21.5%	-30.4pp	35.1%	-13.6pp	50.9%	32.4%	-18.4pp
Equipment Sales/Employee(2) ('000 euros)	834.5	257.5	-69.1%	384.0	-32.9%	2,959.5	1,466.3	-50.5%
EBITDA/Employee ('000 euros)	4.7	6.6	41.8%	2.9	126.8%	15.4	15.3	-0.7%
Employees	565	550	-2.7%	569	-3.3%	565	550	-2.7%

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

IT service revenues per employee reached 135.3 thousand euros in 2011, 1.1% above 2010, benefiting from an increase in service revenues and a decrease of 2.7% in SSI's total headcount to 550 employees, mostly at WeDo Technologies.

Equipment sales as percentage of turnover decreased y.o.y. from 50.9% to 32.4%, driven mainly by the end of the e-initiatives programme, which dragged down the level of Bizdirect laptop sales.

3.2. Financial data

Million euros

SSI CONSOLIDATED INCOME STATEMENT	4Q10	4Q11	Δ 11/10	3Q11	q.o.q.	2010	2011	Δ 11/10
Turnover	40.2	25.2	-37.3%	27.4	-8.0%	142.5	108.5	-23.9%
Service Revenues	19.3	19.8	2.3%	17.8	11.2%	70.0	73.3	4.7%
Equipment Sales	20.9	5.4	-74.1%	9.6	-43.7%	72.5	35.2	-51.5%
Other Revenues	0.2	0.3	32.8%	0.2	57.9%	0.5	0.7	41.5%
Operating Costs	37.8	21.8	-42.2%	25.9	-15.8%	134.6	100.5	-25.3%
Personnel Costs	7.2	5.9	-16.9%	7.7	-22.3%	30.1	28.6	-5.0%
Commercial Costs(1)	20.7	5.8	-72.1%	9.5	-39.1%	71.7	35.5	-50.5%
Other Operating Costs(2)	9.9	10.1	1.6%	8.8	15.3%	32.8	36.4	11.2%
EBITDA	2.6	3.7	38.0%	1.7	119.2%	8.5	8.7	2.5%
EBITDA Margin (%)	6.6%	14.5%	7.9pp	6.1%	8.4pp	5.9%	8.0%	2.1pp
Operating CAPEX(3)	1.9	0.9	-52.2%	1.1	-18.9%	10.1	3.9	-61.3%
Operating CAPEX as % of Turnover	4.8%	3.7%	-1.1pp	4.2%	-0.5pp	7.1%	3.6%	-3.5pp
EBITDA - Operating CAPEX	0.7	2.7	-	0.5	-	-1.6	4.8	-
Total CAPEX	1.9	0.9	-52.2%	1.1	-18.9%	10.1	3.9	-61.3%

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

Turnover

SSI turnover decreased y.o.y. by 23.9% to 108.5 million euros. The 4.7% y.o.y. increase in the level of service revenues was not enough to offset the 51.5% drop in equipment sales, impacted by the end of e-initiatives programme.

Operating costs

SSI operating costs decreased y.o.y. by 25.3% to 100.5 million euros. The 50.5% decrease in the level of commercial costs is mostly a direct result of the lower cost of goods sold level at Bizdirect. Personnel costs decreased 5.0% between 2010 and 2011 due to the lower level of employees. The increase in the other operating costs relates mainly to higher operational costs, reflecting the additional maintenance and rental contracts associated with the full outsourcing contracts won by WeDo Technologies and Mainroad.

EBITDA

During 2011, SSI EBITDA reached 8.7 million euros, increasing 2.5% compared to 2010. The increase in service revenues, coupled with a lower operating costs base, was enough to offset the decrease in Equipment sales.

As a result of (i) the combination of higher service revenues and lower equipment sales and (ii) the significant decrease in operating costs at SSI, the EBITDA margin increased y.o.y. from 5.9% to 8.0%, up 2.1pp.

4. Online & Media

Sonaecom's Online & Media business comprises a set of additional businesses such as Miau.pt and Público. Público is a leading Portuguese daily newspaper with a history dating back 22 years; while Público.pt is a leading player in the Portuguese online press sector.

During 2011, Público won several awards recognising the excellence and quality of its online and offline content and design.

As one of the pioneers of digital information in Portugal, Público.pt has been online since 1995. During 2011, the site strengthened its leadership position against its direct competitors in the general online information segment, registering significant improvements in the ratings. Between 2010 and 2011, according to Netscope, the number of average page views had grown 29.3% y.o.y. at December 2011. Importantly, at December 2011 Público.pt had 8.5 million unique visitors per month, placing it in the top of Portugal's online newspaper rankings.

Consistently, Público is also a clear leader on the social networks, exceeding 222 thousand followers on Facebook.

Overall, the newspaper continues to increase its readership, online and offline. The challenge of monetising an unprecedented growth in the number of readers is being addressed by the gradual launch of paid content, available not only through the computer but also through dedicated applications designed for smartphones and tablets.

However, the market dynamic in the daily generalist printed press sector is going through very challenging times both in terms of circulation and advertising figures. Nevertheless, Público was able to improve its audience percentage from 4.4% to 5.4% between 2010 and 2011.

As for financial performance, the considerably lower level of advertising sales against the negative macroeconomic backdrop has inevitably impacted the Online & Media EBITDA. In 2011, this particular line reached a negative level of 3.1 million euros, decreasing compared to 2010's negative 1.3 million euros.

5. Main regulatory developments in 4Q11

Mobile termination rates glide path

ICP-ANACOM released a public consultation with a new glide path proposal for mobile termination rates, which was in consultation until 8 November 2011.
This proposal considered quarterly declines, as follows:

	MTR's/€
1 Feb. 2012	0.0275
1 May 2012	0.0225
1 Aug. 2012	0.0175
1 Nov. 2012	0.0125

The new prices are based on a cost model defined for the purpose, simultaneously released with the price proposal. This cost model is based on the long-run incremental cost (LRIC) pure approach, in accordance with the European Commission's recommendation for termination rates.
However, as at March 2012, the regulator did not yet announced its final decision.

Spectrum auction

On 30 November 2011, in the spectrum auction held under the control of the national communications regulator ICP-ANACOM, Optimus acquired nine blocks in three frequency bands:
- two blocks of 2x5MHz in the 800MHz band;
- two blocks of 2x5MHz and 1 block of 2x4MHz in the 1800MHz band;
- four blocks of 2x5MHz in the 2.6GHz band.

All the blocks were acquired at the reserve price for a total amount of 113 million euros.

With this acquisition, Optimus secured the entire spectrum it needs to ensure an efficient high-capacity network, reinforcing its position in the market for fourth generation mobile services.

6. Appendix

6.1. Sonaecom consolidated income statement

Million euros

CONSOLIDATED INCOME STATEMENT	4Q10	4Q11	Δ 11/10	3Q11	q.o.q.	2010	2011	Δ 11/10
Turnover	236.6	213.3	-9.8%	224.9	-	920.7	863.6	-6.2%
Mobile	151.9	140.6	-7.5%	149.8	-	592.8	570.7	-3.7%
Wireline	57.0	56.9	-0.1%	56.6	-	237.6	220.4	-7.3%
SSI	40.2	25.2	-37.3%	27.4	-8.0%	142.5	108.5	-23.9%
Other & Eliminations	-12.5	-9.3	25.4%	-8.9	-5.0%	-52.2	-36.0	31.1%
Other Revenues	3.6	2.5	-30.5%	2.0	28.5%	8.2	8.8	7.1%
Operating Costs	195.2	166.9	-14.5%	169.3	-1.5%	734.9	659.5	-10.3%
Personnel Costs	22.7	21.4	-5.8%	23.8	-10.1%	96.6	92.4	-4.3%
Direct Servicing Costs(1)	65.6	59.5	-9.4%	63.2	-5.9%	275.0	247.2	-10.1%
Commercial Costs(2)	64.4	43.4	-32.6%	43.5	-0.2%	205.7	160.9	-21.8%
Other Operating Costs(3)	42.4	42.6	0.4%	38.9	9.6%	157.7	158.9	0.7%
EBITDA	45.0	49.0	8.8%	57.5	-14.9%	194.0	213.0	9.8%
EBITDA Margin (%)	19.0%	23.0%	3.9pp	25.6%	-2.6pp	21.1%	24.7%	3.6pp
Mobile	43.0	44.6	3.8%	54.1	-17.5%	185.5	199.6	7.6%
Wireline	0.3	2.0	-	3.3	-38.1%	3.5	9.6	175.5%
SSI	2.6	3.7	38.0%	1.7	119.2%	8.5	8.7	2.5%
Other & Eliminations	-0.9	-1.3	-48.2%	-1.5	9.7%	-3.4	-4.8	-40.8%
Depreciation & Amortization	31.4	36.7	17.2%	31.9	15.3%	129.5	130.5	0.7%
EBIT	13.7	12.2	-10.6%	25.7	-52.4%	64.5	82.5	28.0%
Net Financial Results	0.1	-2.1	-	-2.1	0.6%	-6.4	-8.9	-39.6%
Financial Income	3.8	3.1	-19.9%	2.3	31.8%	8.2	8.6	5.1%
Financial Expenses	3.7	5.1	38.0%	4.4	16.5%	14.5	17.5	20.2%
EBT	13.8	10.2	-26.3%	23.6	-56.9%	58.1	73.6	26.7%
Tax results	-2.3	-4.7	-104.6%	1.6	-	-16.7	-11.0	34.1%
Net Results	11.5	5.5	-52.5%	25.2	-78.4%	41.3	62.6	51.3%
Group Share	11.5	5.4	-52.6%	25.2	-78.5%	41.2	62.5	51.8%
Attributable to Minority Interests	0.0	0.0	15.7%	0.0	31.1%	0.2	0.0	-77.2%

(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.

6.2. Sonaecom consolidated balance sheet

Million euros

CONSOLIDATED BALANCE SHEET	4Q10	4Q11	Δ 11/10	3Q11	q.o.q	2010	2011	Δ 11/10
Total Net Assets	1,861.9	2019.8	8.5%	1,909.8	5.8%	1,861.9	2019.8	8.5%
Non Current Assets	1,501.4	1,580.3	5.3%	1,468.4	7.6%	1,501.4	1,580.3	5.3%
Tangible and Intangible Assets	865.3	954.8	10.4%	836.4	14.2%	865.3	954.8	10.4%
Goodwill	526.1	521.1	-1.0%	526.1	-1.0%	526.1	521.1	-1.0%
Investments	0.2	0.2	1.7%	0.2	0.0%	0.2	0.2	1.7%
Deferred Tax Assets	109.6	103.9	-5.2%	105.4	-1.5%	109.6	103.9	-5.2%
Others	0.2	0.3	49.9%	0.3	-6.7%	0.2	0.3	49.9%
Current Assets	360.5	439.5	21.9%	441.4	-0.4%	360.5	439.5	21.9%
Trade Debtors	143.3	146.1	2.0%	133.2	9.7%	143.3	146.1	2.0%
Liquidity	68.6	189.4	176.1%	183.0	3.5%	68.6	189.4	176.1%
Others	148.6	104.0	-30.0%	125.2	-16.9%	148.6	104.0	-30.0%
Shareholders' Funds	975.3	1,021.4	4.7%	1,015.2	0.6%	975.3	1,021.4	4.7%
Group Share	974.7	1020.9	4.7%	1,014.7	0.6%	974.7	1020.9	4.7%
Minority Interests	0.6	0.5	-13.2%	0.5	6.0%	0.6	0.5	-13.2%
Total Liabilities	886.6	998.4	12.6%	894.6	11.6%	886.6	998.4	12.6%
Non Current Liabilities	400.7	437.2	9.1%	400.4	9.2%	400.7	437.2	9.1%
Bank Loans	305.0	320.2	5.0%	319.1	0.3%	305.0	320.2	5.0%
Provisions for Other Liabilities and Charges	33.2	48.5	46.5%	34.5	40.5%	33.2	48.5	46.5%
Others	62.5	68.5	9.5%	46.8	46.2%	62.5	68.5	9.5%
Current Liabilities	485.9	561.2	15.5%	494.2	13.6%	485.9	561.2	15.5%
Bank Loans	30.9	118.4	-	121.9	-2.9%	30.9	118.4	-
Trade Creditors	178.7	172.6	-3.4%	155.8	10.8%	178.7	172.6	-3.4%
Others	276.2	270.2	-2.2%	216.5	24.8%	276.2	270.2	-2.2%
Operating CAPEX[1] (excl spectrum investment)	43.4	39.6	-8.6%	23.0	-	130.5	105.4	-19.2%
Operating CAPEX as % of Turnover (excl spectrum investment)	18.3%	18.6%	0.2pp	10.2%	2.0pp	14.2%	12.2%	-2.0pp
Total CAPEX (excl spectrum investment)	52.3	39.7	-24.1%	23.0	-	139.8	105.6	-24.5%
EBITDA - Operating CAPEX (excl spectrum investment)	1.6	9.3	-	34.5	-	63.5	107.6	69.3%
Operating CAPEX[1]	43.4	150.0	-	23.0	-	130.5	215.8	65.4%
Total CAPEX	52.3	150.1	187.0%	23.0	-	139.8	216.0	54.5%
Operating Cash Flow[2]	7.4	16.6	123.1%	23.5	-	44.8	70.6	57.7%
FCF[3]	1.1	10.2	-	16.7	132.7%	10.6	38.8	-
Gross Debt	357.4	459.2	28.5%	462.1	-0.6%	357.4	459.2	28.5%
Net Debt	288.8	269.9	-6.6%	279.0	-3.3%	288.8	269.9	-6.6%
Net Debt/ EBITDA last 12 months	1.5 x	1.3 x	-0.2x	1.3 x	-0.1x	1.5 x	1.3 x	-0.2x
EBITDA/Interest Expenses[4] (last 12 months)	14.4 x	13.9 x	-0.6x	15.0 x	-1.1x	14.4 x	13.9 x	-0.6x
Debt/Total Funds (Debt + Shareholders' Funds)	26.8%	31.0%	4.2pp	31.3%	-0.3pp	26.8%	31.0%	4.2pp
Excluding the Securitisation Transaction:								
Net Debt	348.1	309.5	-11.1%	323.6	-4.4%	348.1	309.5	-11.1%
Net Debt/ EBITDA last 12 months	1.8 x	1.5 x	-0.3x	1.5 x	-0.1x	1.8 x	1.5 x	-0.3x
EBITDA/Interest Expenses[4] (last 12 months)	14.4 x	13.9 x	-0.6x	15.0 x	-1.1x	14.4 x	13.9 x	-0.6x

(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.

6.3. Sonaecom levered FCF

Million euros

LEVERED FREE CASH FLOW	4Q10	4Q11	Δ 11/10	3Q11	q.o.q.	2010	2011	Δ 11/10
EBITDA-Operating CAPEX	1.6	-101.1	-	34.5	-	63.5	-2.8	-
Change in WC	6.6	98.7	-	-11.2	-	-22.0	51.7	-
Non Cash Items & Other	-0.8	18.9	-	0.1	-	3.3	21.8	-
Operating Cash Flow	7.4	16.6	123.1%	23.5	-29.4%	44.8	70.6	57.7%
VAT one-off	0.0	0.0	-	37.8	-	0.0	0.0	-
Securitisation Transaction	-5.0	-5.0	0.0%	-5.0	0.0%	-20.0	-20.0	0.0%
Own shares	-1.4	0.0	100.0%	0.0	-	-4.9	-2.2	55.0%
Financial results	-1.9	-0.4	77.1%	-1.4	70.1%	-8.1	-6.6	17.7%
Income taxes	-1.4	-0.9	32.7%	-0.4	-150.7%	-4.6	-3.0	35.3%
FCF	1.1	10.2	-	16.7	-38.8%	10.6	38.8	-

Note: Operating Cash Flow does not include non recurrent VAT payments.

6.4. Headcount

Sonaecom	4Q10	4Q11	Δ 11/10	3Q11	q.o.q.	2010	2011	Δ 11/10
Total Employees	2,057	2,016	-2.0%	2,054	-1.9%	2,057	2,016	-2.0%
Shared Services and Corporate Centre	141	140	-0.7%	142	-1.4%	141	140	-0.7%
Telecommunications	1,099	1,074	-2.3%	1,085	-1.0%	1,099	1,074	-2.3%
SSI	565	550	-2.7%	569	-3.3%	565	550	-2.7%
Online & Media	252	252	0.0%	258	-2.3%	252	252	0.0%

6.5. Optimus consolidated income statement

Million euros

OPTIMUS INCOME STATEMENT	4Q10	4Q11	Δ 11/10	3Q11	q.o.q.	2010	2011	Δ 11/10
Turnover	197.2	188.6	-4.4%	197.2	-4.3%	780.4	754.7	-3.3%
Service Revenues	182.7	177.4	-2.9%	187.8	-5.6%	744.6	723.0	-2.9%
Customer Revenues	146.0	138.7	-5.0%	146.3	-5.2%	587.6	572.4	-2.6%
Operator Revenues	36.6	38.7	5.6%	41.5	-6.7%	157.0	150.6	-4.1%
Equipment Sales	14.6	11.2	-22.8%	9.4	20.1%	35.7	31.7	-11.3%
Other Revenues	4.0	2.8	-29.9%	2.6	10.0%	10.1	11.4	13.5%
Operating Costs	158.0	144.7	-8.4%	142.4	1.6%	601.4	557.0	-7.4%
Personnel Costs	13.2	13.2	-0.1%	13.4	-1.5%	55.6	53.8	-3.1%
Direct Servicing Costs(1)	65.5	59.3	-9.5%	63.0	-5.9%	274.9	246.6	-10.3%
Commercial Costs(2)	42.7	37.0	-13.2%	32.5	14.1%	131.0	121.9	-6.9%
Other Operating Costs(3)	36.6	35.1	-3.9%	33.5	4.9%	140.0	134.6	-3.8%
EBITDA	43.2	46.7	8.0%	57.3	-18.6%	189.0	209.2	10.7%
EBITDA Margin (%)	21.9%	24.7%	2.8pp	29.1%	-4.3pp	24.2%	27.7%	3.5pp
Operating CAPEX(4) (excl spectrum investment)	41.3	38.3	-7.2%	22.0	74.0%	122.0	101.6	-16.7%
Operating CAPEX as % of Turnover (excl spectrum investment)	21.0%	20.3%	-0.6pp	11.2%	9.2pp	15.6%	13.5%	-2.2pp
EBITDA - Operating CAPEX (excl spectrum investment)	1.9	8.3	-	35.3	-76.4%	67.0	107.5	60.5%
Total CAPEX (excl spectrum investment)	50.2	38.4	-23.6%	22.1	73.7%	131.3	101.8	-22.5%
Operating CAPEX(4)	41.3	148.7	-	22.0	-	122.0	212.0	73.8%
Total CAPEX	50.2	148.8	196.2%	22.1	-	131.3	212.2	61.6%

(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, Provisions for sites dismantling and other non operational investments .

6.6. Online & Media

PÚBLICO OPERATIONAL KPI's	4Q10	4Q11	Δ 11/10	3Q11	q.o.q.	2010	2011	Δ 11/10
Average Paid Circulation[1]	34,994	31,620	-9.6%	35,234	-10.3%	34,043	32,973	-3.1%
Market Share of Advertising (%)	10.7%	10.7%	-0.1pp	8.8%	1.9pp	10.7%	9.3%	-1.5pp
Audience[2] (%)	4.4	5.3	0.2pp	n.a	-	4.4	5.4	0.2pp

(1) Estimated value updated in the following quarter; (2) As % of adressable population; Source: Bareme Imprensa.

Million euros

ONLINE & MEDIA CONS. INCOME STATEMENT	4Q10	4Q11	Δ 11/10	3Q11	q.o.q.	2010	2011	Δ 11/10
Turnover	7.76	6.65	-14.3%	6.02	10.5%	29.74	25.91	-12.9%
Advertising Sales[1]	3.22	2.88	-10.5%	2.05	40.4%	12.16	10.48	-13.8%
Newspaper Sales	2.77	2.55	-8.0%	2.85	-10.5%	10.82	10.43	-3.6%
Paper Sales	0.35	0.15	-58.4%	0.37	-60.5%	1.97	1.25	-36.6%
Associated Product Sales	1.41	1.07	-24.3%	0.74	44.0%	4.79	3.76	-21.4%
Other Revenues	0.22	0.22	-1.3%	0.22	0.2%	0.58	0.64	9.9%
Operating Costs	8.24	7.56	-8.2%	7.35	2.9%	31.59	29.64	-6.2%
Personnel Costs	2.71	2.72	0.2%	2.63	3.3%	10.75	10.60	-1.4%
Commercial Costs[2]	2.84	2.25	-20.8%	2.38	-5.4%	10.52	9.19	-12.7%
Other Operating Costs[3]	2.68	2.59	-3.5%	2.34	10.8%	10.32	9.86	-4.5%
EBITDA	-0.25	-0.69	-172.8%	-1.11	38.0%	-1.27	-3.09	-143.6%
EBITDA Margin (%)	-3.3%	-10.4%	-7.1pp	-18.5%	8.1pp	-4.3%	-11.9%	-7.7pp
Operating CAPEX[4]	0.20	0.29	42.4%	0.14	100.0%	0.58	0.74	27.2%
Operating CAPEX as % of Turnover	2.6%	4.3%	1.7pp	2.4%	1.9pp	1.9%	2.8%	0.9pp
EBITDA - Operating CAPEX	-0.46	-0.98	-114.8%	-1.26	22.1%	-1.85	-3.82	-107.1%
Total CAPEX	0.21	0.29	39.0%	0.14	100.0%	0.58	0.74	26.1%

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

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This document may contain forward-looking information and statements, based on management's current expectations or beliefs. Forward-looking statements are statements that are not historical facts.

These forward-looking statements are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements, including, but not limited to, changes in regulation, the telecommunications industry and economic conditions; and the effects of competition. Forward-looking statements may be identified by words such as "believes", "expects", "anticipates", "projects", "intends", "should", "seeks", "estimates", "future" or similar expressions.

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