

SONAECOM CLOSES DEAL FOR THE PURCHASE OF ONI RESIDENTIAL CUSTOMER PORTFOLIO AND SOHO;

Lisbon, 21st June 2007 - Sonaecom has just announced the agreement established for the purchase of the Oni residential Customer portfolio and SoHo (small businesses and liberal professionals).

After having reached the current understanding, the operation is now dependent only on the approval of the competent entities, but both operators are confident of a favourable conclusion of the deal.

The residential Customers shall move to Clix, the Sonaecom brand specialised in the provision of fixed telecommunications services for the residential market (Voice, ADSL, Television and Home Video).

According to Pedro Carlos, director of the fixed business of Sonaecom, "this is yet another decisive step in our strategy of growth in broad band Internet and consolidation as the main alternative operator in Portugal". Also according to Pedro Carlos, "this is a particularly interesting operation, in that it guarantees advantages to all the parties involved. The current ONI residential Customers will now benefit from a more advanced range of services, with access to the IPTV and Home Video services, pioneers in Portugal; Clix and Sonaecom will benefit from all the advantages of the effect of scale and from the fact of now having a Customer portfolio with very interesting potential for development."

The agreement also includes the transfer of the SoHo Customers (small businesses and liberal professionals) to Sonaecom, who will be moved to Novis, the brand specialising in the business segment, which, in addition to small businesses and liberal professionals, also addresses the SME and Corporate segments.

Furthermore, the deal which has been closed, also establishes the transfer, to Sonaecom, of some technical assets exclusively associated to supporting Customers.

Xavier Rodriguez Martin, CEO of Oni Communications states that "this operation constitutes a decisive step in the realisation of a strategy which we have been implementing of concentrating our investment and activity in the business and operator market, where we have already conquered a very important position." The leader of Oni Communications also adds that "the funds obtained through this transaction will be applied in the realisation of a new cycle of growth, investment and innovation of Oni Communications, which will include an aspect of organic development with the acquisition of differentiating assets, technologies and capacity for our business customers".

Details and rationale of the transaction

The agreement now established is of the value of 25 million euros. This acquisition strengthens the competitive position of Sonaecom, with an increase of 104 thousand Customers in the fixed business, of which 92% are residential and 8% belong to the SoHo segment.

Furthermore, it will enable significant economies of scale and constitutes an excellent sales opportunity, to the new Customer base, of additional services, in particular Television, Home Video and broad band value-added services.

Sonaecom

The sub-holding of Sonaecom manages and controls a portfolio of companies which act in 4 main areas: Mobile (Optimus, Kanguru, Rede 4), Fixed (Novis, Clix, Home), Media (Público) Software & Integration Systems (WeDo, BizDirect, Mainroad, Saphety).

In 2006, it generated 836 million euros of revenue, EBITDA of 184.3 million euros (with 22% margin), 51.3 million euros of Operating Cash Flow and employed 1871 persons at the end of the year.

Sonaecom is held by the Sonaecom Group (51.49%), France Telecom (19.19%) and EDP (7.96%), with the rest of the capital being dispersed throughout various other minority shareholders.

About Clix

Clix is the Sonaecom brand for residential fixed businesses. By taking advantage of the latest generation network, Clix stands out due to its leadership in innovation, providing the most advanced ADSL and Telephone services with access to the first IPTV and Home Video solutions of the country.

About Novis

Novis is the Sonaecom brand specialised in the business segment. It stands out due to the performance and innovation of its Voice, Internet, Data and e-Services solutions - a complete range of high value-added services based on broad band.

About Oni Communications

Oni Communications is an operator of communication solutions focused on the business and operator markets. In 2006, turnover was over 150 million euros in telecommunications services, with over two thirds of which referring to complex data and integrated solutions services.

Oni Communications has a market share greater than 20% in the corporate and operator markets (C&C), which positions it as the European alternative operator with the largest market share in these segments.

The company is held by The Riverside Group (62.5%) and Gestmin SGPS (37.5%), through WinReason.