



Announcement | Lisbon | 16 December 2010

Exceptional Dividend Payment

Following the sale of its shareholding in Brasilcel and in anticipation of the proposed investment in Oi, Portugal Telecom, SGPS S.A. ("PT") announced to the market a proposal for a new shareholder remuneration policy. This includes an exceptional dividend of Euro 1.65 per share for the financial year 2010, of which Euro 1.00 per share to be paid in 2010.

Considering the foregoing, PT hereby announces that its Board of Directors has approved today, 16 December 2010, the payment of Euro 1.00 of the above mentioned exceptional dividend, which will be paid on 28 December 2010, as set out below:

Gross Amount	Euro 1.000
Withholding Tax (Generic rate IRS/IRC: 21.5%)	Euro 0.215
Net Amount	Euro 0.785

The ex-dividend date is 23 December 2010 and the record date is 27 December 2010.

Payment will be made through the Securities Clearing House pursuant to the terms of article 53 of the Regulation no. 3/2000 and Circular no. 1/2000 of Interbolsa.

Portugal Telecom, SGPS, SA
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Portugal

Public company
Share capital Euro 26,895,375
Registered in the Commercial
Registry Office of Lisbon
and Corporation no. 503 215 058

Portugal Telecom is listed on the
Euronext and New York Stock
Exchange. Information may be
accessed on the Reuters under the
symbols PTC.LS and PT and on
Bloomberg under the symbol PTC PL.

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